



# THE INDEPENDENT

No 3,199

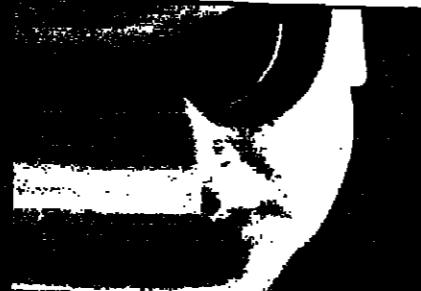
TUESDAY 21 JANUARY 1997

WEATHER: Wintry sunshine

(145p) 40p

## THE TABLOID

The nerd at No 1



## THE TABLOID

The new cockney in couture



## ANALYSIS

The failure to halt TB PAGE 12

# No new taxes? Read his lips

Brown pledge over rates leaves door open for future increases

**Anthony Bevins**  
Political Editor

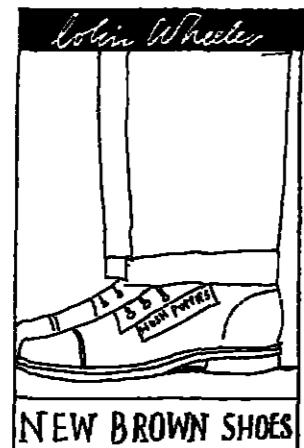
Gordon Brown yesterday ruled out any increase in the basic or top rates of income tax – or any extension of value-added tax – while leaving the back door wide open for other tax increases.

In a London speech designed to kill Labour's image as the tax-and-spend party, the Shadow Chancellor said: "A Labour government will not increase the basic rate of tax."

"It is because we understand the importance of work that there will be no return to penal marginal rates at the top. As a signal of the importance we attach to rewarding work, I want to make clear that I will not increase the top rate of tax."

Having confirmed the current basic rate of 23p in the pound and the top rate of 40p, Mr Brown repeated his hope of getting a new lower rate of 10p for low-earners.

But in a careful – and calculated – escape clause, he also said: "I will not make blanket commitments on each and every one of more than 200 tax exemptions, reliefs and allowances."



said there would be no change in tax, it would not have been credible."

The speech – in which Mr Brown confirmed that Labour would stick to Tory spending limits in its first year of office, and maintain curbs on public sector pay – triggered strong reaction from across the political spectrum.

Kenneth Clarke, the Chancellor of the Exchequer, said: "Hell will freeze before Gordon Brown could control spending and keep tax down."

"We know that New Labour have made pledges worth £30bn in the next Parliament. They have not withdrawn any of them. But time after time in this Parliament, New Labour have shown that they would increase spending and would have to put up taxes to pay for it."

Opposition parties, ranging from the Liberal Democrats to Plaid Cymru, also attacked the plans, dismissing them as "daft and irresponsible promises" and "punishing widows and pensioners". The Labour left-winger Ken Livingstone warned that Mr Brown might have to raise the top rate of tax to kill a consumer-led boom, and he said that 90 per cent of Labour MPs believed the tax system Mr Brown planned to keep intact was unfair.

Rodney Bickerstaffe, general secretary of Unison, said: "If the Labour Party say what they mean and mean what they say, and are committed to real social justice, attention will have to be given to the low paid and this will inevitably include public service workers. We ask for no favours. We ask for fairness."

But Mr Brown said: "With Labour, all public sector pay agreements must be financed from within the agreed departmental cash limits. Just as we will resist every other unreasonable demand on the public purse, we will resist unreasonable public sector pay demands."

He also promised a "comprehensive spending review" that would take a long-term and strategic view of public spending – to shift the balance from consumption to investment, from welfare to education.

"We reject the old Labour litmus test on spending," Mr Brown said; "that increasing the overall level of spending is proof of our socialist commitment."

As for the possibility of increasing taxes, Mr Brown said: "We must have a fair tax system that treats individuals in an equitable way; not tolerating wide differences of treatment for individuals or companies in broadly similar circumstances."

"It also means fair treatment of men and women as individuals, and that over their lifetime individuals with similar incomes pay similar amounts of tax."

Mr Brown repeated Labour's commitment to a crack down on high earners "who abuse the tax system using scams, loopholes and dodges".

Leading article, page 11  
Donald Macintyre, page 13

lowances in the system, before we know all the economic circumstances we will face, including the true state of the public finances."

A Conservative source said last night that Mr Brown had closed off two tax-raising options – out of 200 – leaving the irresponsible impression that he was not planning to increase the tax burden.

That Conservative point was underlined by the fact that the present Government has repeatedly used tax allowances to squeeze more revenue out of the system. The rate of mortgage interest tax relief has been reduced, tax relief for profit-related pay is being phased out, and the married couple's allowance was frozen in the 1991 Budget.

But the point was also made by a senior Labour source that while Mr Brown had provided reassurance about Labour plans for income tax rates, he had left himself the "flexibility" to increase taxes.

"He has not boxed himself in," The Independent was told. "If he had



Rising expectations: Gordon Brown (centre) in a lift on the way to give his speech yesterday

Photograph: Brian Harris

## Mr Responsibility he may be, but we could all still pay more



by Diane Coyle  
(Economics Editor)

to low inflation. Labour will find it very hard to deliver the same deal.

Given that the national debt has doubled under Mr Major's time as Prime Minister and the Government's plans to cut borrowing are already considered over-optimistic, many City experts think higher taxes are near-certainty after the election.

Labour clearly cannot admit this logic and agree now that the government finances are in a mess. But Mr Brown is well aware of the danger of Labour promising something in the heat of the election campaign that it cannot deliver afterwards.

This was the trap that caught out the Tories on tax in 1992, doing their cred-

ible huge damage ever since. Yet now, five years on, Labour has made this new and dramatic pledge at a time when the public finances are in a precarious state and the current spending plans unrealistic. How does the Shadow Chancellor try to escape this dilemma?

The most important thing is that Mr Brown, despite the bold rhetoric, has not actually promised not to increase taxes if the public finances require it. There are other ways Labour has ruled out neither reducing tax breaks such as mortgage interest tax relief, nor increasing company taxation.

To judge from the City reaction yesterday, few of Labour's old enemies in the financial markets query its underlying fiscal prudence. Indeed, many people in the markets now predict that the pound would fall if it looked like the Conservatives could snatch an election victory, because investors think Chancellor Brown would be more cautious in setting interest rates and government borrowing than Chancellor Clarke.

It is a thought to delight New Labour strategists. But there is another thought for the rest of us to chew over: unless there are serious spending cuts then, whoever wins, and whatever they say now... taxes will probably rise.

## THE INDY EIGHT

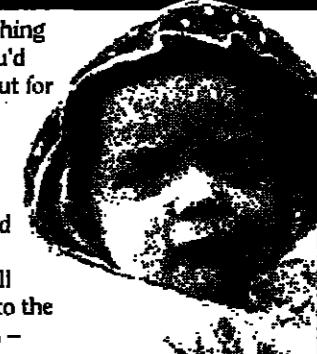
- Q What will happen to taxes under Blair or Major?
- Q If things go badly, would the Tories take us out of Europe?
- Q Will Blair back voting reform if he wins?
- Q Would Labour take Britain into a single currency?
- Q Will the parties spend more on schools – and who loses?
- Q Would Ashdown keep Blair in power without PR?
- Q Can Labour match the Tory pledge on NHS cash?
- Q What do the parties mean by radical reform of welfare?

## Send a baby box to Bosnia this winter

Disinfectant, nappies, washing materials – not what you'd think of giving someone. But for an impoverished mother in Bosnia trying to keep her child safe from infection, the basic essentials inside one of our baby boxes would mean the world.

Children's Aid Direct will deliver your box directly into the hands of mothers in Bosnia – many of whom will be living in war-damaged housing in very basic conditions this winter.

Please send a baby box to Bosnia this winter – and help a mother keep her baby safe.



for only £30

## With love from a friend...

Call 0990 600610 now to tell us how many baby boxes you would like to send.

OR please complete and return this form.

Please send \_\_\_\_\_ baby box(es) of £30 each on my behalf.

I enclose a cheque for £\_\_\_\_\_ (total amount) made payable to Children's Aid Direct

OR Please debit £\_\_\_\_\_ from my  Visa  MasterCard  Switch

Card number \_\_\_\_\_

Last three digits of Switch card no. / / Switch issue no. /

Expiry date / Signature \_\_\_\_\_

Name (s) \_\_\_\_\_

Address \_\_\_\_\_

Postcode \_\_\_\_\_

Telephone \_\_\_\_\_

If you would like to send a message to a Bosnian mother, please send it with your donation and we will put it in your baby box. Please send to Children's Aid Direct, Dept 507, FREEPOST, Reading, RG1 1BR.

Children's Aid Direct  
Registered charity no. 003736

## Clinton calls for a new spirit



Solemn point: Clinton calls for 'land of new promise'

do this to advance the politics of petty bickering and extreme partisanship they plainly deplore." It was wrong "to waste the precious gift of time on acrimony and division".

But that exhortation will be tested within the next 24 hours. Two hours before Mr Clinton was sworn in, the Senate Foreign Relations Committee did indeed unanimously confirm Madeleine Albright as his new Secretary of State. But as early as today the House must vote on the recommended \$300,000 fine and ethics reprimand for the Speaker, Newt Gingrich – an occasion bound to have Democrats calling anew for his head, and Republicans speaking of a witch-hunt.

"Nothing big ever came of being small," the President insisted to the 1,000 dignitaries close by and the hundreds of thousands gathered on the Washington mall beyond. He expounded familiar themes of personal responsibility and the need to overcome prejudice and Amer-

ica's "constant curse" of race. "These forces nearly destroyed our nation in the past. They plague us still."

By their very nature, inaugural addresses are built upon grand phrases, not legislative fine print, and Mr Clinton's 20-minute speech was no exception. Centrist in tone, visionary in imprint, it sketched out a 21st century

## QUICKLY

## Government defeat

The Government was defeated by a majority of 64 in the Lords as peers backed a Labour move to ensure prior authorisation of police bugging by judicial commissioners.

Page 6

## Minister's denial

Andrew Mitchell, the social security minister and former whip, denied before a Commons committee that he tried to use his influence as a whip to subvert the inquiry into cash for questions.

Page 2

## Junk and no veg

Christmas dinner is now the one meal a year where many British children get an adequate intake of vegetables, according to research for the Cancer Research Campaign – because children are bullying their mothers into letting them eat only what they want.

Page 3

## Bank hostage

Hundreds of French bank employees have taken their boss hostage in protest at Government changes.

Page 9

## CONTENTS

*The Broadsheet*

Business & City . . . . . 14-16

Comment . . . . . 11-13

Foreign News . . . . . 8-9

Gazette . . . . . 10

Home News . . . . . 2-7

Leading Articles, Letters 13

Obituaries . . . . . 10

Shares . . . . . 17

Sport . . . . . 19-22

*The Tabloid*

Arts . . . . . 4-5

Arts Reviews . . . . . 19

Fashion . . . . . 8-9

Feature . . . . . 6,7

Health . . . . . 10,11

Listings . . . . . 20,21

Media . . . . . 12-15

TV & Radio . . . . . 23,24

Weather . . . . . 22

Barcode: 04  
9 770951 946429

## news

18

# Why Labour's arithmetic is a lesson to us all

The young woman with the red power jacket, took out her mobile phone and spoke into it, framed by the large window with its panoramic view of Westminster. Gordon Brown was due to speak any minute, so there wasn't much time to sell shares, or buy securities.

We were gathered together in the Queen Elizabeth II Conference Centre, to be taken on the latest stage of Labour's exciting journey into power. This leg was to be run by the Shadow Chancellor and was headed, "Responsibility in Public Finance". Or why there's not going to be any money.

There was a strange crew around me. For a start, there were several smart young women organising things for Labour, one of whom actually sported a cleavage. In the brief



*Prudence appeared so often that I began to wonder if she was Mr Brown's mystery woman*

days of the Benn Supremacy, such a thing would have been unthinkable. The woman in question would have been hustled out with a pair of dungarees over her head.

Then there were members of the Labour Finance and Industry Group, a pleasant (if motley) bunch of the sort of industrialists who are against putting children down chimneys – and who are the equivalents – in piusness and numbers – of the Tory Campaign for Electoral Reform. They are the sort of folk who, when asked by the security guard at the metal detectors whether they have any coins in their pockets, blush and hand the man a tenner.

One of them was Greg Dyke, the millionaire who runs Channel 5, and who sports the give-away New Labour uniform of a

truncated beard (see also Alastair Darling, shadow chief secretary). Nicola Horlick was too busy to attend.

Then there was a liberal sprinkling of think-tanky folk, activist academics and left-of-centre know-alls.

The most prominent was Roger Liddle, a former SDP man, who pens a column each week in the *New Statesman* entitled "A Memo to" (followed by the name of a different shadow cabinet member).

Mr Liddle's pieces are reminiscent of those *Reader's Digest* articles entitled "I am John's prostate". In one of my favourite fantasies, the entire shadow cabinet pen a reply called "A Memo to Roger Liddle". It consists of two words.

Then Gordon came to the lectern and delivered his

ground-breaking speech. It started with some of the usual codes, such as "we must transcend the old sterile battle" (we were wrong), and we must "move beyond the old battleground" (we were totally wrong).

"Now more than ever" (an inefficient Old Labour way of saying "now") there can be "no taxation without information, justification or explanation" (which beats just "representation").

Labour, when it came to power, would be rigorous, efficient, tough, strict, sensible, fair and prudent. (Prudence put in so many appearances that I began to wonder whether this wasn't the name of Mr Brown's mystery woman. Meet the firm – but fair – Prudence Rigour,

the strict lady from Pitlochry. Exactly.

tough. She, like her fiancé, would grip things effectively, tackle things efficiently, and every item of household expenditure would have to be justified.)

But wait, I hear you cry, what's the point in Labour if it's not going to lash out with tons of money? Well, as Gordon said, "what matters now is not how much government spends, but how the money is spent", a line I must remember for my impending negotiations about pocket money with a firmly Old Labour seven-year-old.

"Rosa, it doesn't matter how much I give you," I shall argue sternly. "What matters is how you spend it."

"But Daddy," she'll reply, "that's not the kind of maths they teach us at school."

Exactly.

## significant shorts

### Baby girl stabbed in her pram

A baby girl was seriously ill in hospital last night after she was stabbed by a mentally ill attacker while in her pram in a shopping centre, police said.

Eye-witnesses said the man approached the child and her mother as they shopped at the Bridgeway Centre in the Meadows suburb of Nottingham.

The man lashed out with a two-inch kitchen knife, badly cutting the girl's arm as her mother screamed for help.

The attacker ran off but was later arrested by police while the child was taken to Nottingham's Queens Medical Centre where her condition was "serious but not life-threatening".

### Sniffer dogs in Zoe search

Scotland Yard dogs trained to sniff out bodies yesterday joined a grim search for missing schoolgirl Zoe Evans.

Senior detectives ordered a renewed sweep of open land near the nine-year-old's home on the army housing estate at Wartminster, Wiltshire, after their decision to release her parents from custody, without charge.

Zoe's mother Mrs Paula Evans, 28, and her step-father Miles Evans, 23, an army driver, were last night staying at a secret address.

Inspector Geoff Hicks, spokesman for Wiltshire police, said: "After no sign of Zoe in 10 days, we are obviously very pessimistic about finding her alive – but our searches will continue."

### Sports-star bombs denied

Claims that British sports stars in mixed-race relationships were the intended targets of a neo-Nazi bombing campaign were denied yesterday by police in Denmark who have arrested seven fascists suspects.

Reports naming Sharron Davies, the former Olympic swimmer, Frank Bruno, the former world-heavyweight boxing champion, and Paul Ince, the footballer, as targets were described as "unfounded" by the detective in charge of the bombing investigation.

Seven Danes are facing charges relating to the interception of three letterbombs in Sweden and the seizure of three more in Denmark, all apparently intended for British victims.

The Independent Television Commission said the channel had committed a "serious misjudgment". A spokesman for Channel 4 said yesterday: "We went to great lengths to get consent and this was a genuine mistake."

### THE INDEPENDENT ABROAD

		OVERSEAS SUBSCRIPTIONS
Austria	...Sch40	Netherlands ...F5.00
Belgium	...Bf40	Italy ...L4.500
Cambodia	...Ps300	Malta ...Ps325
Cyprus	...Cz1.20	Malta ...43 cents
Iraq	...Dir18	Norway ...Nr20
Irish Rep.	...Afp	Portugal ...Esc25
France	...Prl	Spain ...Ps300
Germany	...Dm4.5	Sweden ...Sw21
Luxembourg	...Lfp20	Switzerland ...Sw4.00
USA	...\$3.00	Back issues of the <i>Independent</i> are available from Hulton Newsprint, telephone 01988 840370.

### NEWSPAPERS SUPPORT RECYCLING

Recycled paper made up 41.2% of the raw material for UK newspapers in the first half of 1996

# Minister denies subverting inquiry

Christian Wolmar  
Westminster Correspondent

Andrew Mitchell, the social security minister and former whip, yesterday denied that he tried to use his influence to subvert the inquiry into the Neil Hamilton cash for questions affair two years ago.

Mr Mitchell, who had been summoned to answer questions about his role in influencing the Hamilton investigation, told the standards and privileges committee that he had acted "properly" during his membership of the now-defunct members' interest committee.

Mr Mitchell replied that Mr Campbell-Savours was speaking with the benefit of hindsight and that no one had objected to his appointment to the committee, including Mr Campbell-Savours.

"Any of 651 members could have objected. No one objected," he said.

Mr Mitchell, who is the second minister to appear before the committee, told the resignation of the paymaster general, David Willets, last month, is accused of passing on privileged information, obtained as a member of the committee, on to Richard Ryder, the Chief Whip.

He wrote a memo on 24 October 1994 to the Chief Whip after he had seen the Registrar of Members' Interests to ask him about the significance of an article in *The Independent* that day which suggested that Mr Hamilton had failed to declare an interest in consultant to the registrar.

The memo suggests the meeting was inconclusive and ends with the comment "not very helpful I am afraid" which, in a note to the committee, Mr Mitchell refers to the fact that the Registrar's advice was inconclusive because the position was not clear one way or the other".

Mr Campbell-Savours sug-

gested that it was strange that Mr Mitchell had not appreciated the role of the committee since the Hamilton affair had first come to light in May 1994, a month before Mr Mitchell's appointment to the committee.

Mr Mitchell replied that Mr Campbell-Savours was speaking with the benefit of hindsight and that no one had objected to his appointment to the committee, including Mr Campbell-Savours.

"Any of 651 members could have objected. No one objected," he said.

Mr Mitchell, who is the second minister to appear before the committee, told the resignation of the paymaster general, David Willets, last month, is accused of passing on privileged information, obtained as a member of the committee, on to Richard Ryder, the Chief Whip.

He wrote a memo on 24 October 1994 to the Chief Whip after he had seen the Registrar of Members' Interests to ask him about the significance of an article in *The Independent* that day which suggested that Mr Hamilton had failed to declare an interest in consultant to the registrar.

This is the first time that an MP appearing before the committee has had to give evidence on oath, and Dale Campbell-Savours, a Labour member of the committee, pressed Mr Mitchell, stressing that he was giving evidence on oath.

Mr Campbell-Savours sug-



Stand-up role: Sir Peter Ustinov outside the Ustinov Studio Theatre, Bath, where a bronze statue designed by Sir Peter's son, Igor, was unveiled yesterday. Photograph: Geraint Lewis

# Jail chiefs' U-turn over visitor searches

Ian Burrell

Probation officers last night claimed the Prison Service had made a dramatic U-turn in the row over jail searching.

Jail chiefs have drafted new rules forbidding staff from running their fingers through the hair or searching inside the mouths of professional prison visitors. Officers are specifically warned not to touch the breasts of females.

That the searching is necessary to prevent drugs or weapons being smuggled into jails.

NAPO believes that the policy has gone too far, leading to over-zealous searches of probation officers, social workers, lawyers and other professionals who were visiting clients in jail.

Last night it emerged that two women drug workers were planning legal action after they were accused of being heroin smugglers and subjected to a full

strip search in a toilet in Liverpool prison. Sue Edwards, 35, and her colleague Cary Burton, 37, had gone to the jail to prepare a report on an inmate who was facing drugs charges and was being considered for rehabilitation treatment.

They have claimed that jail staff refused to acknowledge the authenticity of Edwards' ID and said she was really called Sue Rider, or "Heroin Sue", and was carrying drugs.

The women said the prison refused to contact their office to confirm their identities and called the police. They then asked the women to strip in a corridor behind some towels.

When the drug workers refused they were told to go into a toilet accompanied by a female prison officer and a woman police officer. They were strip-searched and no drugs were found. Both women were badly shocked by the episode, for

which they received no apology, and are bringing legal action against the prison through their union, Unison.

A copy of the new draft, "Core Entry Search Procedures", was circulated to chief probation officers last week. It will be submitted to ministers for approval.

Ann Widdecombe, the prisons minister, denied last night that the rules represented any kind of climbdown.

# New Year. New Technology. Old price.



Dell have kicked off the new year with an outstanding offer. The Dell Dimension™ XPS M166s and its Intel 166MHz Pentium® Processor with MMX™ technology is now available for only £1,299 (£1,555.70 inc delivery & VAT). And for limited

period only we'll give you an extra 16Mb SDRAM for free. So you get the most advanced hardware with no advance in price. And because it comes with new MMX technology, it can run between 10% and 20% faster under today's normal business applications. Call the world's largest direct PC manufacturer™ today on 01344 724616 and get this year's technology at last year's prices.

- INTEL® 166MHz PENTIUM® PROCESSOR WITH MMX TECHNOLOGY
- 16Mb SDRAM + EXTRA 16Mb SDRAM FREE
- 512Kb PIPELINE BURST CACHE
- 2Gb EIDE HARD DRIVE
- STB POWERGRAPH 64 3D PCI GRAPHICS CARD: 2Mb VIDEO MEMORY
- 15" COLOUR SVGA MONITOR (13.75" VIEWABLE AREA)
- EIGHT SPEED CD-ROM DRIVE
- MID-SIZED TOWER CHASSIS
- INTEGRATED 16-BIT SOUND AND AC97 SPEAKERS
- MICROSOFT® WINDOWS 95 & MS OFFICE PROFESSIONAL 95

£1,299 (£1,555.70 incl. delivery & VAT)



**FREE\* 16MB SDRAM WORTH £120**  
\*LIMITED PERIOD ONLY

**DELL®**

TALK DIRECT TO THE NUMBER ONE  
**01344 724616**  
Between 8am and 8pm weekdays, 10am to 4pm Saturday

\*Free offer available only on Dell Dimension XPS M166s Bonus Bundle at time of purchase. \*\*Source IDC. Dell and the Dell logo are registered trademarks and Dell Dimension™ is a trademark of Dell Computer Corporation. Intel, Intel Inside, Pentium and Pentium Processor are trademarks or registered trademarks of Intel Corporation. Microsoft, Windows, Office Professional 95, and the Windows logo are registered trademarks of the Microsoft Corporation. Delivery at £25 (162.57 inc delivery & VAT). All offers subject to availability. All offers subject to change without prior notice or obligation. Offer valid until 28th February 1997. Dell units and keyboards included. Dell Computer Corporation Ltd, Millbank House, Western Road, Bracknell, RG12 1BD. Offer available for a limited period only.

## Significant shorts

Catholic family escape hand grenade attack

A Northern Ireland couple and their five-month-old baby had a miraculous escape yesterday when a hand grenade exploded underneath their van.

The Catholic couple, with their child, were driving around Larne, Co Antrim, when the device went off directly beneath the passenger seat, where the mother was holding her baby.

Their lives may have been saved by the fact that the device was an elderly, the grenade reportedly dating back to the second world war.

The widespread assumption is that this was a loyalist attack. David McKittrick

## Sniffer dogs in Zoo search

Scotland Yard dogs trained to sniff out bodies yesterday joined a grim search for missing schoolgirl Zoe Evans.

Serious detectives ordered a renewed sweep of open land near the nine-year-old's home on the army housing estate at Warmminster, Wiltshire, after their decision to release her parents from custody without charge.

Zoe's mother Mrs Paula Evans, 28, and her step-father Miles Evans, 31, an army driver, were last night staying at a secret address.

Inspector Geoff Hicks, spokesman for Wiltshire Police, said: "After no sign of Zoe in 10 days, we are looking very pessimistic about finding her alive - but we will continue."

## Sports-star bombs denied

That British sports stars are targets of a neo-Nazi bombing campaign is denied by police

but those who have arrested bombers suspect

that the bombing

of the former Olympic

swimmer Frank Bruno, the boxer John Conteh, weight

lifter Steve Walker, as

well as others, described as

being targeted by the de

feated bombers.

British stars are facing

a new wave of three

more bombs in Sweden and

three more in

the UK, apparently

targeting British victims.

Recyclers

with post-

men in Britain

are targets in Britain

and Europe.

Steve Rogers

H INDEPENDENT ASSOCIATED PRESS

PHOTOGRAPH BY ANDREW BUURMAN

REPRODUCED BY PERMISSION OF THE INDEPENDENT

1 The Lord of the Rings	J.R.R. Tolkien
2 Nineteen Eighty-Four	George Orwell
3 Animal Farm	George Orwell
4 Ulysses	James Joyce
5 Catch-22	Joseph Heller
6 The Catcher in the Rye	J.D. Salinger
7 To Kill a Mockingbird	Harper Lee
8 One Hundred Years of Solitude	Gabriel García Márquez
9 The Grapes of Wrath	John Steinbeck
10 Transmetropolitan	Irvine Welsh
11 Wild Swans	Jung Chang
12 The Great Gatsby	F. Scott Fitzgerald
13 Lord of the Flies	William Golding
14 On the Road	Jack Kerouac
15 Brave New World	Adolfo Huxley
16 The Wind in the Willows	Kenneth Grahame
17 Winnie-the-Pooh	A.A. Milne
18 The Color Purple	Alice Walker
19 The Hobbit	J.R.R. Tolkien
20 The Outsider	Albert Camus
21 The Lion, the Witch & the Wardrobe	C.S. Lewis
22 The Trial	Franz Kafka
23 Gone with the Wind	Margaret Mitchell
24 The Hitchhiker's Guide to the Galaxy	Douglas Adams
25 Midwife's Children	Salman Rushdie
26 The Diary of Anne Frank	Anne Frank
27 A Clockwork Orange	Anthony Burgess
28 Sons and Lovers	D.H. Lawrence
29 To the Lighthouse	Virginia Woolf
30 If This Is a Man	Primo Levi
31 Lolita	Vladimir Nabokov
32 The Wasp Factory	Iain Banks
33 Remembrance of Things Past	Marcel Proust
34 Charlie and the Chocolate Factory	Roald Dahl
35 Of Mice and Men	John Steinbeck
36 Beloved	Toni Morrison
37 Possession	A.S. Byatt
38 Heart of Darkness	Joseph Conrad
39 A Passage to India	E.M. Forster
40 Watership Down	Richard Adams
41 Sophie's World	Jostein Gaarder
42 The Name of the Rose	Umberto Eco
43 Love in the Time of Cholera	Gabriel García Márquez
44 Rebecca	Daphne du Maurier

## The 100 GREATEST BOOKS of the 20TH CENTURY.

### How many HAVE YOU READ?

45 The Remains of the Day	Kazuo Ishiguro
46 The Unbearable Lightness of Being	Milan Kundera
47 Birdsong	Sebastian Faulks
48 Honours End	E.M. Forster
49 Brief-shead Revisited	Edwin Vaughan
50 A Suitable Boy	Vikram Seth
51 Dune	Frank Herbert
52 A Prayer for Owen Meany	John Irving
53 Perfume	Patrick Süskind
54 Doctor Zhivago	Boris Pasternak
55 Game of Thrones	Mervyn Peake
56 Cider with Rosie	Laurie Lee
57 The Bell Jar	Sylvia Plath
58 The Handmaid's Tale	Margaret Atwood
59 Testament of Youth	Vera Brittain
60 The Magus	John Fowles
61 Brighton Rock	Graham Greene
62 The Ragged-Trousered Philanthropists	Robert Tressell
63 The Master and Margarita	Mikhail Bulgakov
64 Tales of the City	Armistead Maupin
65 The French Lieutenant's Woman	John Fowles
66 Captain Corelli's Mandolin	Louis de Bernières
67 Slaughterhouse Five	Kurt Vonnegut
68 Zen and the Art of Motorcycle Maintenance	Robert Pirsig
69 A Room with a View	E.M. Forster
70 Lucky Jim	Kingsley Amis
71 It	Stephen King
72 The Power and the Glory	Graham Greene
73 The Stand	Stephen King
74 All Quiet On The Western Front	Erich Maria Remarque
75 Paddy Clarke Ha Ha Ha	Roddy Doyle
76 Matilda	Roald Dahl
77 American Psycho	Bret Easton Ellis
78 Fear and Loathing in Las Vegas	Hunter S. Thompson
79 A Brief History of Time	Stephen Hawking
80 James and the Giant Peach	Roald Dahl
81 Earth Chatter's Lover	D.H. Lawrence
82 The Bonfire of the Vanities	Tom Wolfe
83 Complete Cookery Course	Delta Smith
84 An Evil Cradling	Bruce Keenan
85 The Rainbow	D.H. Lawrence
86 Down & Out in Paris and London	George Orwell
87 2001: A Space Odyssey	Arthur C. Clarke
88 The Tin Drum	Günter Grass
89 A Day in the Life of Ivan Denisovich	Alexander Solzhenitsyn
90 Long Walk to Freedom	Nelson Mandela
91 The Selfish Gene	Richard Dawkins
92 Jurassic Park	Michael Crichton
93 The Alexandria Quartet	Lawrence Durrell
94 Cry, the Beloved Country	Alan Paton
95 High Fidelity	Nick Hornby
96 The Van	Roddy Doyle
97 The BFG	Roald Dahl
98 Earth Powers	Anthony Burgess
99 I, Claudius	Robert Graves
100 The Horse Whisperer	Nicholas Evans

If you haven't read all the 100 greatest books of the century (as voted by Waterstone's customers and Channel 4 viewers), you've still got something to look forward to. If you haven't read most of them, you've got some catching up to do. If you've hardly read any of them, welcome to the twentieth century.

For an indication of where you might like to start, try the thoughts of some well known names reviewing highlights of the list every evening this week at 7.35pm on Book Choice on Channel 4. If the greatest books of the century are a source of riches, Waterstone's, you'll be pleased to know, won't impoverish you. From now until the end of February, you can buy any four titles from the list for the price of three.

If you can't tick the books, at least you can tick the bookshop.

# W

WATERSTONE'S

BOOKS OF THE CENTURY. IN ASSOCIATION WITH CHANNEL 4.  
Website: [www.waterstones.co.uk](http://www.waterstones.co.uk)

Offer valid while stocks last. Not valid in conjunction with the books listed above and ends on the 28th February.

## news

### Staff at fault for Manton school closure

Judith Judd  
Education Editor

A headteacher and the warring factions on his governing body are largely to blame for bad management at a school closed for eight days over one disruptive 10-year-old boy, says a report published yesterday.

The head and governors at Manton Junior School in Worksop, Nottinghamshire, were so preoccupied in fighting their own battles that children's schooling suffered, says the report from local authority inspectors.

While governors breached the confidentiality of meetings, the head, Bill Strelley, withheld information from them and tried to dominate meetings.

Last night Mr Strelley's union accused Nottinghamshire county council of trying to make the head a scapegoat for its own failings and for those of the governing body. Staff at Manton went on strike last autumn after governors twice overturned Mr Strelley's decision to exclude Matthew Wilson.

The dispute ended when the boy's mother, who denied that he was disruptive, agreed that he should go to another school.

The report says: "Relationships between the head-teacher and the governing body are unproductive. The work of the governing body and the strategic management of the school have been adversely affected by lack of information to governors, mistrust, and too little involvement of governors in the life of the school."

The "development of factions within the governing body only served to worsen the situation."

The governors, say inspectors, are divided into those who feel they are "unable to make an effective contribution because of the domination of the head-teacher" and those who are "uncritically supportive of the head".

The balance of the governing body should be reconsidered because the recent resignation of some governors means that the majority are now strongly affiliated to the staff.

"Governors need to ensure that they are always acting on behalf of the children of Manton and not uncritically backing staff proposals."

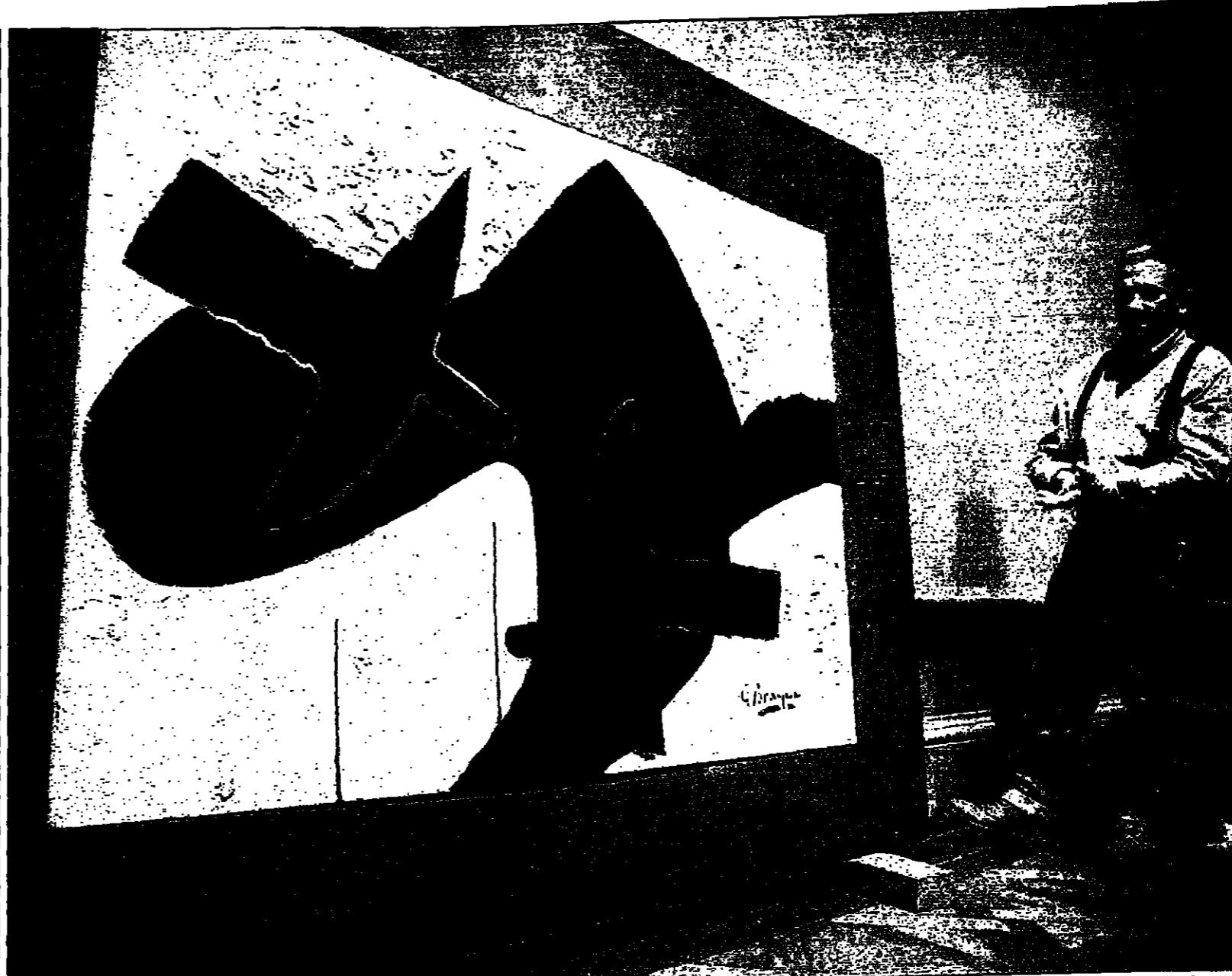
Pupil behaviour, which first brought the school into the lime-light, is "sound and sometimes good". Discipline and bad behaviour outside lessons occurs because the school puts too much emphasis on punishment and control and not enough on praise and personal responsibility.

Relations between the head and staff are good, says the report, but it criticises them for insisting on retaining the maximum number of teachers to keep class sizes low. "This has benefited staff morale more than pupil entitlement."

Doug McAvoy, general secretary of the National Union of Teachers, said: "I am deeply disappointed with the tone and partial content of the inspection report, in particular the summary.

The full report points to the generally sound school policy development and the significant progress made in the last two years under Mr Bill Strelley's leadership.

Nigel de Gruchy, general secretary of the National Association of Schoolmasters Union of Women Teachers, to which the school's eight classroom teachers belong, said: "The report confirms my impressions that classroom teachers were doing a good competent job in difficult circumstances."



Late show: *The Black Birds*, one of George Braque's later paintings, being hung at the Royal Academy of Arts in London in an exhibition of some 45 works from the final 20 years of the influential Cubist's career. The show runs from this Thursday until 6 April. Photograph: Nicola Kurtz

### Fashanu 'received £800,000 in betting syndicate deals'

Michael Streeter



Fashanu: Denies accepting cash for match-fixing

The television presenter and former Premier League footballer John Fashanu received up to £800,000 in deals with the alleged representative of a Far Eastern betting syndicate, a court heard yesterday.

The governors, say inspectors,

are divided into those who

feel they are "unable to make

an effective contribution be-

cause of the domination of the

head-teacher" and those who

are "uncritically supportive of

the head".

The balance of the governing

body should be reconsidered

because the recent resigna-

tion of some governors means

that the majority are now

strongly affiliated to the

staff.

"Governors need to ensure

that they are always acting

on behalf of the children of

Manton and not uncritically

backing staff proposals."

Pupil behaviour, which first

brought the school into the

lime-light, is "sound and

sometimes good". Discipline

and bad behaviour outside

lessons occurs because the

school puts too much empha-

sis on punishment and not

enough on praise and per-

sonal responsibility.

Relations between the head

and staff are good, says the

report, but it criticises them

for insisting on retaining the

maximum number of teach-

ers to keep class sizes low.

"This has benefited staff mor-

ale than pupil entitlement."

The full report points to the

generally sound school poli-

cies and the significant pro-

gress made in the last two

years under Mr Bill Strelley's

leadership.

Nigel de Gruchy, general sec-

retary of the National Asso-

ciation of Schoolmasters Uni-

on of Women Teachers, to

which the school's eight class-

room teachers belong, said:

"The report confirms my im-

pressions that classroom

teachers were doing a good

competent job in diffi-

culty circumstances."

dicate betted. Mr Vincent said it was Fashanu who had introduced Grobbelaar to the Indonesian outfit.

"Mr Grobbelaar told me that he had been introduced to some men from the Far East by Fashanu. They were prepared to pay him £1,000, £750 and £500 from a man he knew as 'the short man' – whom the prosecution say is the fourth defendant, Heng Lim, allegedly the Indonesian syndicate's UK representative.

Later, Grobbelaar told his fellow Zimbabwean that this had changed to fixing games – by ensuring Liverpool lost.

"I asked him how that was possible. He said he had been Liverpool's goalkeeper for 14 years and if he was standing a yard or a foot off his line, no one would know," said Mr Vincent.

Grobbelaar had told him he was unhappy about how much his club, Liverpool, paid him compared with new players such as Paul Stewart, and was particularly unhappy at his

treatment by Liverpool's then manager, Graeme Souness.

Mr Vincent said apart from the £40,000 paid to him at a north London address where Fashanu was present, he



## politics

# Brown pledges 10p tax, but no top rate rise

This is an edited text of the keynote speech made by the shadow Chancellor in Westminster yesterday

**Anthony Bevins**  
Political Editor

"My approach is not to tax and spend, but to save and invest," Gordon Brown said in summing up Labour's new Exchequer doctrine yesterday. "I have an iron commitment to stability in public finances."

"We will not spend for its own sake, but according to our priorities. We will organise the tax system around clear principles and values. And I have shown that we will make tough choices where necessary, and do so on a fair basis."

"But let nobody be in any doubt that we build from this platform of stability for a purpose. We do this so that we can equip our country for a prosperous future and raise the growth rate of our economy."

"So that we can ensure for all the best educational opportunities and the skills to cope with change. So that we can give those denied work the employment opportunities they need."

"So that we can, in partnership with business, create the conditions for the long-term investment they need to succeed – and so that we can create a fairer and more just society, that ensures not just work and opportunity for those who need it but security for those denied it."

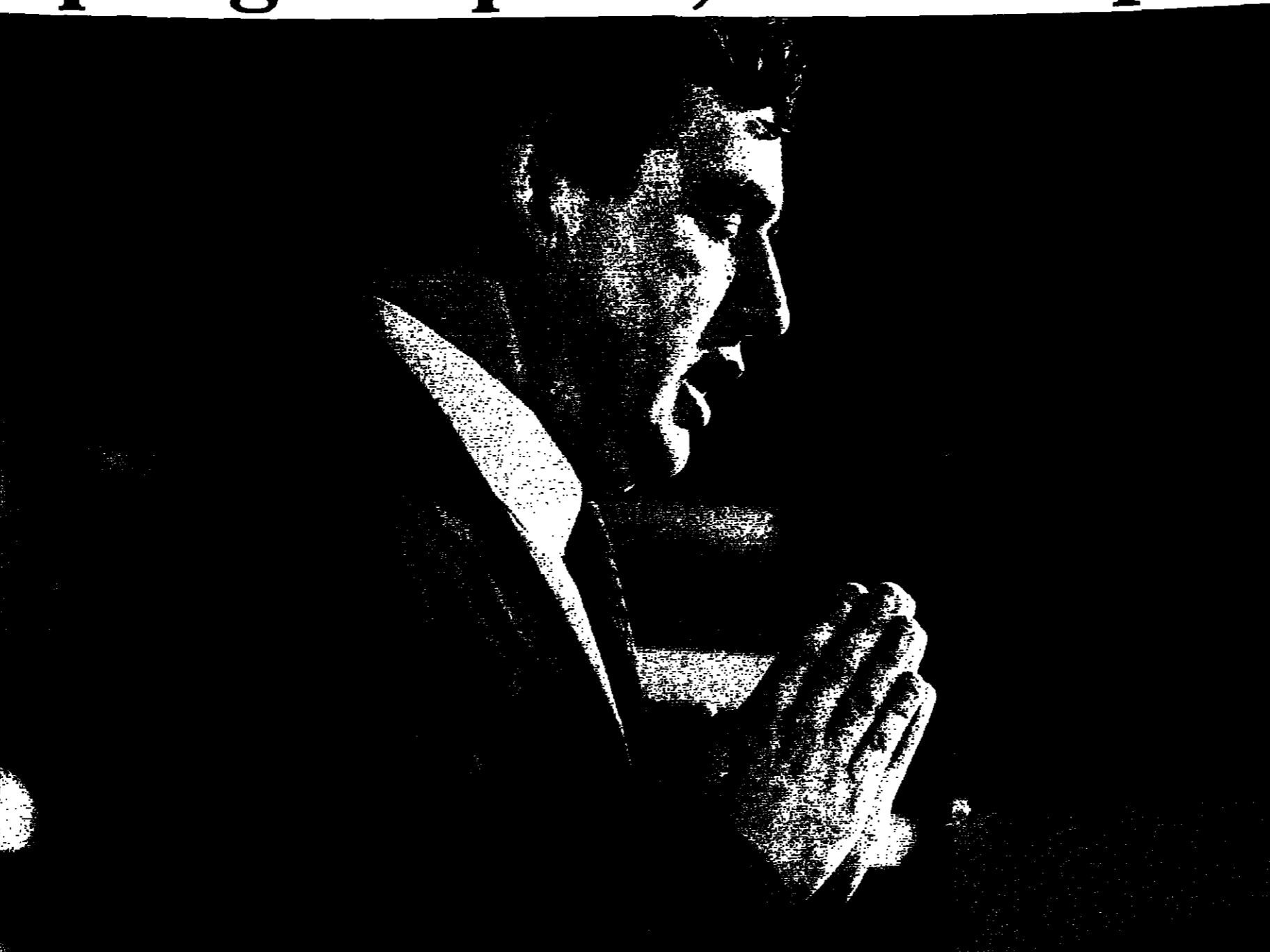
"It is through applying our principles and by building a new trust on tax and spending with the British people that Britain will be better off with Labour."

At the start of his keynote speech to businessmen at the QEII centre in London yesterday, Mr Brown said: "Britain needs a new approach that recognises that government can best advance the public interest not by suppressing markets – the old Labour view – or simply succumbing to them – the view of the right – but by equipping individuals and companies to succeed within them ..."

"For the last 50 years this country has been held back by damaging cycles of boom and bust. The volatility has damaged the confidence that generates investment and is one of the key reasons why Britain has invested so much less than our competitors ..."

"Low inflation is a precondition of sustainable growth. And we can only succeed in ensuring low inflation and interest rates through sound public finances based on a fair approach to spending and taxation ..."

"In the past, Labour's correct



Planning a future: Shadow Chancellor Gordon Brown giving his speech at the QEII conference centre in London yesterday

Photograph: Brian Harris

commitment to the public interest has often led to a reflex commitment to more public ownership and increase public spending. No longer ... Before we can make any strategic decisions on public spending, we must be sure that existing resources are being spent as effectively as possible in advancing the public interest ..."

"In addition to ... responsibilities for law and order and defence, the decisions of a Labour government will be guided by our three priorities: encouraging investment for the long-term, expanding employment, and opportunity and fairness ..."

"So our first Budget will not reopen

overall spending allocations for the 1997-98 financial year ... Each departmental minister will want to use their first year to work out with their departments and permanent secretaries how they can overhaul existing spending so that ... spending is reordered to meet Labour's priorities in the 1998-99 financial year ..."

"Our programme requires no new spending commitments other than those financed by the windfall tax ... we will be making no new commitments in our manifesto which require additional spending.

"So our first Budget will not reopen

"We have already made it clear that our approach to taxation will be based on our values that the tax system must encourage work and opportunity for all, it must encourage investment and it must promote a fair society ... after 22 Tory tax rises since 1992 which have hit hard-working families, I want to make clear that a Labour government will not increase the basic rate of tax ..."

"It is because we understand the importance of work that there will be no return to penal marginal tax rates at the top. As a signal of the importance we attach to rewarding work I

want to make clear that I will not increase the top rate of tax ... And just as it cannot be right that the highest earners in Britain face penal marginal rates of tax, so it is wrong that some of the lowest-paid face effective marginal tax rates of 80 or 90 per cent, and in some cases, over 100 per cent."

"Labour wants to tackle the problem of penal marginal tax rates facing the low-paid by introducing a new lower starting rate of tax of 10 per cent to encourage work and help all hard-working families."

Now the party's spin-doctors must find something else for Mr Brown to announce next week, and the week after. There is still plenty to say, of course – full details of the party's tax plans are still to be seen, for example. But with a whole series of major speeches scheduled for the next few weeks, they are bound to have their work cut out.

## Peers vote down bugging powers



The Government suffered a defeat in the House of Lords last night as law lords and other peers united against measures in its Police Bill.

The House voted by 209 to 145 votes in favour of a Labour amendment which would require police to obtain prior consent before bugging or burrowing homes or other premises. The Government then suffered another defeat on a Liberal Democrat amendment which would allow any one of 440 circuit judges to give the permission. Peers voted in favour of that measure by 158 to 137.

As ministers came under attack from every side in a debate on their Police Bill, Lord Lloyd of Berwick told peers that if it were passed as it stood it would be challenged in the European Court.

"What sense is there in passing a Bill which would be doomed under the European Convention?" he asked.

Ministers want police to be able to carry out their surveillance and bugging operations without having to seek permission to do so first. Labour, which originally supported the measure, was forced last week

to shift its position. Its spokesman argued at the Bill's report stage last night that police should have to seek permission in advance.

The former Labour prime minister, James Callaghan, said that when he was Home Secretary in the 1960s electronic and covert surveillance was unheard of. The Bill's proposal that police should be allowed to carry out such operations on their own authority was fundamentally wrong.

"We are concerned not just that serious crime should be pursued but also that we should preserve the principle ... that an Englishman's home is his castle and that the officers of the State and the Crown have no right to intrude into that home without some independent justification and independent authority," he said.

The Government was also attacked by a former Conservative home secretary, Lord Carr of Hadley, who held the post from 1973 to 1974. He said he was "astonished" when he heard how many surveillance operations were now going on.

Baroness Blatch, Home Office Minister, said most peers seemed to agree that there was a need today to tackle serious crime in this way.

"The police are concerned at

the invasion of a person's privacy and don't take decisions of this sort lightly. It is the police themselves who have pressed the Government for some years now to put these activities on a statutory basis."

But opposition parties want extra protection for individuals. Lord McIntosh of Haringey, Labour's Home Affairs spokesman in the Lords, said that the Bill still did not give enough protection to civil liberties.

"When the security services have to secure a warrant to intrude on the premises of an enemy agent, I don't see why we should give less protection to our own citizens by not requiring chief constables to do the same thing," he said.

Lord Callaghan said such operations must have started in the 1970s. By 1977-78, in his last years as Prime Minister, between 500 and 600 operations were carried out, the House heard. Now the figure has risen to 1,300.

Baroness Blatch, Home Office Minister, said most peers seemed to agree that there was a need today to tackle serious crime in this way.

"The police are concerned at

believe 20 years from now our successors would regard our allowance of it as something of which we should all be dreadfully ashamed," he said.

## Death of Labour MP pulls Tories back from brink

**Anthony Bevins**  
Political Editor

The death of the Labour MP Martin Redmond yesterday pulled the Government back from the Commons minority which was created by last week's death of the Conservative MP Ian Mills.

Mr Redmond, 59, was MP for Don Valley, in South Yorkshire. He had been suffering from cancer for some time.

Because Mr Redmond and Mr Mills have died so late in the life of the Parliament, neither

Don Valley, nor Mr Mills's Meriden constituency will be open for a by-election.

But there is continuing speculation about the timing of the Wirral South by-election – and its possible impact on the timing of a general election.

A MORI poll which was conducted for the *Sun* yesterday bore out local Conservative fears about Wirral South showing a swing of more than 15 per cent from the Conservatives to Labour in the seat since the 1992 election, with Labour leading the Tories by 52 per cent to

36 per cent. Local Tories believe that the scale of the swing reflects the change in local population, with many new diehard Labour voters having moved "over the water" – the Mersey – and into the constituency from Liverpool.

A Conservative promise that the by-election will not be held up means that it should be held on 6 March, the earliest possible date after the introduction of the new electoral register on 16 February.

There were two lines of speculation prompted by the MORI findings yesterday: one, that the Prime Minister would call a 20 March general election in order to avoid an unrepresentative débâcle in Wirral South; or secondly, that he would stall a general election until the last possible moment, 1 May, in the hope that the humiliation of Wirral South might be forgotten, and that things might improve.

The death of Mr Redmond means the Tories now have the same number of voting MPs – 322 – as all the other parties combined.

## Alan Clark on road to Commons

**Colin Brown**  
Chief Political Correspondent

Alan Clark, the eccentric former defence minister in Margaret Thatcher's government, has cleared the first hurdle in his bid to re-enter the House of Commons.

The former MP for Plymouth Sutton is among six candidates to be shortlisted tonight to replace Sir Nicholas Scott in the Chelsea and Kensington con-

stituency. The final election will be held on Thursday.

But at Westminster, some MPs were tipping Patricia Morris, a financial consultant, who is highly regarded as a bright, gutsy speaker. Sarah Whitehouse, a runner-up to Archie Norman for the Sevenoaks seat, is also on the shortlist.

Winston Churchill and David Harris, both existing Tory MPs, did not reach the shortlist, but the other hopefuls include

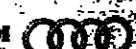
Hugo Summerson, the former MP for Walthamstow, north east London. A barrister and adviser to the Euro-sceptics, Martin Howe, is on the shortlist with a local councillor, Daniel Moylan. Mr Howe is a nephew of the former Chancellor, Lord Howe.

Meanwhile, the party leadership is preparing for Sir George Gardiner to be sacked as Tory MP for Reigate by his constituency. Sir George, a senior source last night said there would be no attempt to help Sir George a second time. "It's now entirely up to his constituency, but we are not helping".



Who'd have figured it?

You can't argue with the facts. For more information about the Audi A6 call 0345 699 777.

Audi 

Advertising durch Technik

To get your free...  
Internet...  
of software...  
a chat...  
may w...  
them all...  
Not...

Brenda Blethyn: Winnie...  
role in Secrets and Lies

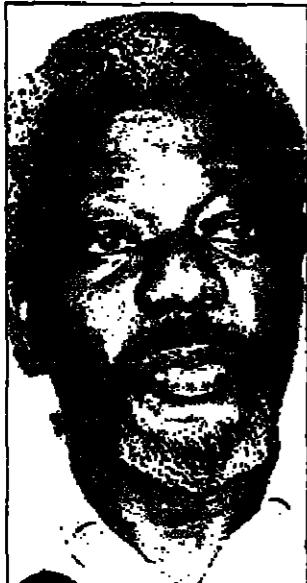
BT

Call Free



# international

## Europe urges Annan to reform the UN



David Usborne  
New York

The European Union is to urge the new Secretary General of the United Nations, Kofi Annan, to take swift and aggressive steps to overhaul the organisation's sprawling web of departments, agencies and specialised funds, if necessary merging some with each other and eliminating others altogether.

The proposals, that have emerged from months of debate between EU governments most recently at foreign minister level, are contained in a 25-page memorandum obtained by *The Independent*. The document will be presented today to Maurice Strong, the Canadian industrialist who was appointed by Mr Annan at the weekend to

bring together an overall reform package.

While the memorandum, which is still classified, is far-reaching in its suggestions for change, it contains repeated warnings that reform at the UN should not be equated with cutting the organisation's budget. The references are meant to put distance between the EU and those voices in the United States, most of them Republican, seeking to use the reform exercise to strip away UN resources. "The reform of the United Nations is not about cost-cutting," it insists.

In what promises to be a critical week, Mr Annan tomorrow begins a visit to Washington, where he will meet for the first time as Secretary General with President Bill Clinton and members of the Congress. Mr

Annan must try to persuade members of Congress of his commitment to reform while convincing them to release the more than \$1bn in late payments due the UN from the US.

Mr Annan hopes to have a complete package of reform proposals ready by the summer. Mr Strong, 67, who also acted as an adviser to the last Secretary General, Boutros Boutros-Ghali, will head a task force of advisers on reform. Its other members will include Gustave Speth, the head of the United Nations Development Programme (UNDP), who last year caused controversy by asking that all UN development and humanitarian bodies be streamlined and grouped under his own.

The EU document, which is restricted to addressing UN social and development activi-

ties, notably borrows heavily from the controversial Speth proposals.

Where the need for rationalisation is clear, the paper said, the "Union considers that funds and programmes so assessed could be merged ... the assessment should extend to all funds and programmes".

In a nod to Mr Speth's allusion to a new umbrella role for his agency, the paper adds:

"While fully open to dialogue on best ways forward in this respect, the EU considers that the UNDP could provide a focus for enhanced co-ordination in this area."

Both Mr Speth and Mr Strong have voiced on the record their support for closing down some of the less obviously useful UN agencies such as the UN Industrial Development

Organisation in Vienna (from which Britain has just withdrawn) and the UN Conference on Trade and Development.

The EU also calls for the creation of a new Under-Secretary General who would take overall responsibility for all UN social and development activities. This person would act as Executive Secretary to the Economic and Social Council, the overarching committee of all UN members that oversees all development matters and which would itself be radically streamlined and pared down.

The EU would also like to see the establishment of a single UN headquarters in each country where the UN is represented. At the head of each would be a single UN representative, responsible for co-ordinating all UN efforts in that country.

## significant shorts

### Yeltsin due to move home to recuperate

### Mexicans flock to 'Bright Star' wedding

With thousands of fans crowding outside, millions watching on television and blessings from the Pope himself, Mexico's most popular stars got married in one of the country's biggest weddings ever. Archbishop Norberto Rivera Carrera – the Roman Catholic primate of Mexico – officiated at the nuptials of Lucero, an actress-singer known by her first name, which means "Bright Star," and the singer-actor Manuel Mijares. AP – Mexico City

### Coup trial opens

The trial over the killing of Bangladeshi independence leader Sheikh Mujibur Rahman opened, more than 21 years after his death in an army coup. Lawyers said six of the 25 people accused of involvement in the killing of Mujib appeared in court, including three ex-army officers. In all 32 people, including Mujib, his wife and three sons were killed on 15 August 1975, in the country's first army revolt. Reuters – Dhaka

### Mudslide kills family of four

A waterfront house in Washington state with a view of Seattle's skyline was pushed into Puget Sound by a mudslide, killing a family of four. The mudslide slammed into the back of the three-story house.

Melting snow from storms late last month and last week's steady rain have saturated hillsides on the island west of Seattle. AP – Bainbridge Island, Washington

### Abortion clinic bombed

Two bomb explosions rocked an abortion clinic in Tulsa, Oklahoma on Sunday, just three days after six people were injured in a similar attack on a clinic in Atlanta, Georgia. The two bombs exploded seconds apart just outside the Reproductive Services of Tulsa clinic.

Reuters – Tulsa

### Berlusconi judge quits

The year-old corruption trial of Italy's former prime minister, Silvio Berlusconi, was thrown into disarray when the presiding judge stepped down in a row over allegations of bias. The decision by judge Carlo Crivelli meant the trial in Milan, at which Mr Berlusconi and 10 others are charged with complicity in corruption, might have to restart from scratch. Reuters – Rome

### Lover's reptile revenge

A jilted Indonesian woman released six cobras in a crowded karaoke bar in central Jakarta to teach her former boyfriend, who worked there, a lesson.

The woman accused her former lover, identified only as Tu, of having an affair with a colleague, said Indonesia's news agency. The woman and the cobras were taken into police custody. Reuters – Jakarta

### Serbian court suspends judgment on poll outcome

elections, generating pressure in the West for democratic reform in Serbia.

Analysts said the Socialist-influenced municipal court may have been browbeaten by political bosses into passing the buck to higher legal organs under no deadline for a ruling, giving hardliners more time for counter-moves.

Zajedno fears a new outbreak of political violence in Serbia's Albanian-majority province of Kosovo could allow Mr Milosevic to divert attention from the election crisis and build a case for emergency measures to quell any dissent.

Belgrade's multi-party electoral commission reinstated Zajedno's triumph in the capital a week ago but said its judg-

## Marines and the ugly lads join pageant for America's coronation

### Clinton basks in party for a nation

John Carlson  
Washington

Earnest, adolescent, high-minded, tacky, commercial, ambitious, fabulously diverse and, above all, big, the festivities yesterday to mark Washington's four-yearly pageant, the presidential inauguration, achieved their objective – to capture the spirit of America.

From the steps of the historic Capitol, a Washington school choir sang a song of love for America, celebrating the mountains, the prairies and the oceans, the freedom, the peace and the harmony.

The vast crowds looked uplifted, rapt, but a confused foreign visitor could have been forgiven for imagining he had stumbled onto the set of a Coca-Cola commercial. The event was a coronation, United States-style – sons ermine, sceptres and crowns, but teenage baton-twirlers, chocolate-box marching bands and Disney parade floats aplenty.

The official inaugural theme, picking up on President Bill Clinton's favourite election campaign slogan, was "An American Journey: Building a bridge to the 21st century". The purpose of the floats was to describe that journey, recount the history of the world's most successful nation through images on wheels.

A plaster of Paris revolutionary soldier beating a drum led the way ahead of a giant plaster of Paris scroll bearing the opening words of the US constitution ("We, the people ...") in 18th-century script. Then a plaster of Paris eagle and then, the *pièce de résistance*, a cartoon train covered in red and blue furry synthetic carpeting, closely followed by a stagecoach set in a landscape of polystyrene cacti and paper mache rocks.

As the present day loomed, the images became appropriately eclectic. One float bore on its prow the wings of the Kitty Hawk, on the prow a windmill, at the stern a transparent plastic bag filled with red confetti marked "blood plasma". Then a rocket trailing spray-painted cotton wool, two computer screens inside a cage adorned like a greenhouse and, perched on a parapet, a plaster of Paris man with ear muffs aiming a black pistol in the general direction of a glittering gold Statue of Liberty.

The human element in the parade, viewed by President Clinton from inside a bullet-proof capsule in front of the White House, bore testimony to America's mad, magnificent variety. The US Marine Corps band and Com-



Dream team: Bill and Hillary Clinton embrace after the president was sworn in to office for his second term

Photograph: Reuters

## Britain backs US plan for global ban on landmines

Tony Barber  
Europe Editor

The United States launched an initiative yesterday to secure a world-wide ban on landmines, which, according to humanitarian organisations, kill or maim about 25,000 people a year.

The Clinton administration put forward its initiative at the United Nations-sponsored Conference on Disarmament in Geneva, but without much expectation that it would achieve rapid results. Diplomats said the 61-nation conference was likely to bogged down in the next few weeks over the demands of non-aligned and developing countries for total nuclear disarmament before there was any progress on landmines.

The Government, perhaps sensing public support for the princess's remarks, quickly distanced itself from the criticism of her and made clear that it ad-

vocated a ban on most anti-personnel mines. Government officials point out that Britain has not manufactured such mines for years and that China and Russia, whose support would be essential to the effectiveness of a world-wide ban, have indicated that they are at least prepared to discuss the issue in Geneva.

US officials said it made more sense to push for a landmines ban at a conference where the Russians and Chinese were taking part. The US ban would cover mines designed to kill or injure people, but would exclude anti-tank mines.

The International Committee of the Red Cross, one of several humanitarian groups pressing for a world-wide ban, estimates there are more than 100 million landmines in 80 countries.

However, the US approach,

which is supported by France as well as Britain, may produce results in the longer term. This is because Russia and China, whose support would be essential to the effectiveness of a world-wide ban, have indicated that they are at least prepared to discuss the issue in Geneva.

US officials said it made more sense to push for a landmines ban at a conference where the Russians and Chinese were taking part. The US ban would cover mines designed to kill or injure people, but would exclude anti-tank mines.

The International Committee of the Red Cross, one of several humanitarian groups pressing for a world-wide ban, estimates there are more than 100 million landmines in 80 countries.

### Mark Heinrich

Reuters

Belgrade — A Serbian court yesterday suspended an electoral commission ruling that President Slobodan Milosevic's Socialist party had lost Belgrade municipal elections to an opposition coalition two months ago.

The municipal court president Dragoljub Jankovic, clarifying the effect of appeals against the electoral panel's decision, said it was put on ice pending a ruling by the Supreme Court on which court should decide the volatile issue.

The opposition Zajedno (Together) coalition has staged nine weeks of street protests against the annulment of its victories in countywide municipal

elections, generating pressure in the West for democratic reform in Serbia.

Jankovic said two appeals were submitted – one by the Socialists (SPS) and the other by the rightist Serbian Radical Party (SRPS), which is not in the government but opposes Serbia's moderate opposition bloc.

"The decision of the electoral commission is suspended until the Supreme Court decides [which court should rule on the matter]," Mr Jankovic said.

He said the Supreme Court had no deadline for a ruling. Officials in Nis, Serbia's second city, declared a Zajedno victory last week. The SPS lodged an appeal but it was thrown out by Nis municipal court. Zajedno plans to convene the new regional assembly on 27 January.

### Small ad. Even smaller mortgage rate.

It's easy to transfer.  
Our mortgage rate is 6.31%  
(6.5% APR variable).  
Call us now for more details.

0181 649 9099 0161 831 9099 0141 221 9099  
LONDON MANCHESTER GLASGOW

CALL ANYTIME 8am to 8pm Monday to Friday and  
9am to 5pm Saturday. Please quote ref. IND83

A Royal Bank of Scotland company.

Subject to status. Life assurance to cover the loan and security required. Rates correct at 9/1/97. Subject to variation. Written quotations on request. YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR OTHER LOAN SECURED ON IT. Calls are recorded for your added security. Direct Line and the red phone are trademarks of Direct Line Insurance plc, used with its permission.



INSURANCE

PLC

REG'D

COMPANY

IN ENGLAND

AND WALES

AND NORTHERN

IRELAND

AND THE ISLE

OF MAN

ificant shorts

# Britain slams EU fast-track strategy

Sarah Helm  
Brussels

The trial over the killing of Bangladesh independence leader Sheikh Mujibur Rahman opened, more than 21 years after his death in an army coup. Lawyers said in of the 25 people accused of involvement in the killing of Mujib appeared in court, including three ex-army officers. In all 32 people, including Mujib, his wife and three sons, were killed on 15 August 1975, in the country's first army revolt.

Reuters - Dhuha

## Coup trial opens

The trial over the killing of Bangladesh independence leader Sheikh Mujibur Rahman opened, more than 21 years after his death in an army coup. Lawyers said in of the 25 people accused of involvement in the killing of Mujib appeared in court, including three ex-army officers. In all 32 people, including Mujib, his wife and three sons, were killed on 15 August 1975, in the country's first army revolt.

Reuters - Dhuha

## Mudslide kills family of four

A wall-to-wall house in Washington state with a view of Seattle's skyline was washed into Puget Sound yesterday, killing a family of four. The mudslide, which had run into the back of a nearby house, was triggered by a storm that has lashed the West Coast for days. At least 10 houses have been destroyed or collapsed on hillsides on the outskirts of Seattle, Wash.

Reuters - Dhuha

## Abortion clinic bombed

An abortion clinic under construction in Tulsa, Okla., was bombed Saturday night, killing two people and wounding another. In Atlanta, Georgia, a bomb exploded at a branch of the Rite Aid chain of drugstores.

Reuters - Dhuha

## Berlusconi judge quits

The Italian prime minister, Romano Prodi, has accepted the resignation of Justice Minister Gianni De Michelis, who quit last week.

Reuters - Dhuha



Hans Tietmeyer: Attacked Europe's political leaders

"common property of all". His comments put Britain at loggerheads with the French and German foreign ministers, who spoke out together in favour of majority voting on issues of flexible power-sharing.

"The key point is more majority decisions," said Klaus Kinkel, the German Foreign Minister. "We cannot get stuck. The European motor must not stall. It must keep running, and France and Germany must march side-by-side."

The ministers were speaking after the EU's first substantial discussions on how "flexible" decision-making might work. Flexibility, which would allow some countries to integrate without all member-states, is now viewed as the key to a more workable union.

It has become the most contentious issue on the table of the Inter-Governmental Conference.

on EU reform, as the talks enter the final haul before the EU summit in Amsterdam in June. In recent weeks John Major has taken a conciliatory line on flexibility, suggesting to European partners that Britain is not opposed to creation of a multi-speed Europe, which would allow Britain to opt out of policies it does not favour.

But Britain appears to have been taken aback by the way in which other member-states – particularly France and Germany – intend to use flexibility to push for deeper power-sharing in areas ranging from defence and immigration to taxation and monetary union.

Yesterday Mr Davis said the Franco-German ideas on flexibility were an attempt to "bypass" the veto and that was "not acceptable." He said a "majority" of other member-states were expected to support the British position on flexibility.

If other countries were pushed by the British veto into power-sharing outside the treaty, this would not threaten Britain, he said.

British obstruction on flexibility was not the only cause of unease among EU leaders yesterday, as more evidence appeared of concern about progress towards economic and monetary union. Hans Tietmeyer, the Bundesbank president, criticised Europe's political leadership for failing to win the public round to the euro, saying they had been too ready to blame economic problems on the Maastricht Treaty.

In an interview with the *International Herald Tribune* yesterday Mr Tietmeyer blamed European countries, including Germany, for faltering economically because they had failed to react quickly enough to the rising power of Asia and the revival of Eastern Europe and the US.

Mr Tietmeyer repeated a call for strict interpretation of the Maastricht Treaty when Europe's leaders decide early in 1998 which countries qualify for EMU. "The treaty is clear, and if politicians stick to that, then we will have to select the countries in a restrictive way," he said.

It is not so much a revolution as a white-collar counter-revolution in defence of an ancient régime.

Hundreds of bank employees, in suits and silk scarves, have taken their boss hostage in his own office. They have draped placards insulting the Juppe government in the potted palms of their bank's lobby. And they have turned the marble halls of one of the most prestigious sites in the financial district of Paris into an impromptu disco. Yesterday they were settling in for a prolonged siege.

Except there is no siege. The protesters seized the governor of the bank and 10 members of his board on Friday and held them prisoner throughout the weekend. But the government announced plans last year to dismember the Crédit Foncier de France, which for more than 140 years had a government-authorised monopoly on loans for the building of homes for the less well-off.

The bank, technically a private institution but always run by government appointees, suffered vast losses in the 1980s when permitted by the then So-

cialist government to go beyond its traditional role and speculate in property at large. The new centre-right government which took power in 1995 abolished the bank's monopoly on loans for cheap housing developments and then, last July, announced that its remaining business would be split between two other institutions (with the loss of 1,800 jobs).

For years, Crédit Foncier employees seemed to have the best of both worlds, private-sector salaries and the security and status of civil servants.

Now the employees insist that they are the victims, not of an economic revolution, but a political plot. They point out that a large part of the bank will be merged with another institution once headed by the present housing minister, Pierre-André Périsson. They compare their bank's modest profits last year with the billions still being spent to bail out the much larger, state-owned Crédit Lyonnais.

Yesterday the government said it had appointed a conciliator to try to resolve the dispute. But the Finance Minister, Jean Arthuis, said there was no question of refloating Le Foncier. "We are no longer in the business of creating new publicly owned banks," he said.

The captive governor, Jérôme Meysonnier, originally appointed as an executioner, has gone native and pleaded for his bank's survival. He "understands" and "admires" the protesters but they "should not go beyond certain limits". He faced his fourth night sleeping in his dishevelled office, which he begged the media not to film.

# Official voice of Damascus comes cold off the presses

Robert Fisk continues his series on Syria with a look at the *Syria Times* – heavy reading for visitors

newspoint to remind me of what we used to call Fleet Street.

I went straight to the point. Wasn't the *Syria Times* a trifle boring? Mr Shehadeh smiled at me with not a little impatience. "I think we have to remember that we have a cause, the cause of our occupied territories – Israel's greed and expansionism occupying Golan and southern Lebanon and the other Arab lands," he began. "I don't think that anybody can ignore these facts. We have to talk about

side. We expect a hostile [foreign] media and hostile attacks from the West. The minister of information [Mohamed Salman, a fellow Baath party member] is encouraging our press to be brighter and livelier."

And more lively – in Syrian terms – *Tishreen* has become. Its foreign press reports are accurately translated and its criticism of domestic problems (*à la Brezhnev*) is growing. A few days earlier, Walid Mirani, in his daily "Rain Hour" column, had taken the minister of electricity to task for failing to alleviate long daily power cuts in three Damascus suburbs, and condemned the governor of Damascus for failing to impose a smoking ban on computers and inter-city buses.

Three days later, there was criticism of Damascus University's English department for the behaviour of students who were smoking and singing. Two pages further on, Ghassan Salameh lampooned the authorities for the atrociously low pay of government civil servants.

Destined for foreigners, the *Syria Times* is not even as daring as *Tishreen*. Could Mr Shehadeh therefore really justify a media controlled by the party? "We are in line with the policy laid down by the party," Mr Shehadeh replied. "And I believe, because of the situation in the Middle East and because of the Arab-Israeli conflict and its various repercussions, it's much better to have the press and media strengthened together under the control of a body which makes the policy."

This was the authentic voice of every *Syria Times* editorial. "We have to catch anything that says something about the Israeli problem – but apart from this, I don't think the Syrian press is boring. Our literature pages, our features, talk about peace. However, for almost the whole of this century, we have fought against colonialism and aggressive conspiracies from the out-

side to us. We expect a hostile [foreign] media and hostile attacks from the West. The minister of information [Mohamed Salman, a fellow Baath party member] is encouraging our press to be brighter and livelier."

Destined for foreigners, the *Syria Times* is not even as daring as *Tishreen*. Could Mr Shehadeh therefore really justify a media controlled by the party? "We are in line with the policy laid down by the party," Mr Shehadeh replied. "And I believe, because of the situation in the Middle East and because of the Arab-Israeli conflict and its various repercussions, it's much better to have the press and media strengthened together under the control of a body which makes the policy."

But what would that policy be if there was a real and just peace.



# international

## Rwanda 'unsafe' for aid workers

David Orr  
Nairobi

Aid agencies in Rwanda are to scale down their operations but will remain in the country following an attack on an agency compound at the weekend in which three Spanish aid workers were killed.

The non-governmental organisations (NGOs) reached their decision after an emergency meeting of United Nations and aid agency officials yesterday to discuss the situation in north-western Rwanda where the attack took place.

"Our security people are working with the NGOs to increase security," a United Nations spokesman told *The Independent*. "We've also had meetings with the Rwandan authorities. One of the things we're recommending is that no aid workers should stay overnight in Ruwenzori."

It is believed that Hutu militiamen of the former Rwandan army were responsible for Saturday's attack in which three members of the Doctors of the World (Spain) team were killed in the north-western town of Rubengera. An American who had to have his leg amputated after being hit by bullets is said to be in a stable condition.

"I was talking to our team in Ruwenzori by radio 20 minutes before they were killed," said Cristina Pardo of Doctors of the World yesterday. "They said they heard some shooting outside. They decided to cut the communication but when we rang back there was no reply".

At least 10 agencies have pulled out of the area. Among them is Britain's Save the Children Fund (SCF) whose residence in Ruwenzori was hit in the attack.

The head of Rwandan intelligence has confirmed that Hutu rebels opposed to the Tutsi-dominated government have decided to target foreigners in order to destabilise the country. Hutu extremists, who fled to Zaire after taking part in the 1994 genocide of half a million Rwandans, are believed to have been among those who returned across the border into Rwanda at the end of last year.

## Bank boss a hostage to misfortune

John Lichfield  
Paris

It is not so much a revolution as a white-collar counter-revolution in defence of an ancient régime.

Hundreds of bank employees, in suits and silk scarves, have taken their boss hostage in his own office. They have draped placards insulting the Juppe government in the potted palms of their bank's lobby. And they have turned the marble halls of one of the most prestigious sites in the financial district of Paris into an impromptu disco. Yesterday they were settling in for a prolonged siege.

Except there is no siege. The protesters seized the governor of the bank and 10 members of his board on Friday and held them prisoner throughout the weekend. But the government announced plans last year to dismember the Crédit Foncier de France, which for more than 140 years had a government-authorised monopoly on loans for the building of homes for the less well-off.

For years, Crédit Foncier employees seemed to have the best of both worlds, private-sector salaries and the security and status of civil servants.

Now the employees insist that they are the victims, not of an economic revolution, but a political plot. They point out that a large part of the bank will be merged with another institution once headed by the present housing minister, Pierre-André Périsson. They compare their bank's modest profits last year with the billions still being spent to bail out the much larger, state-owned Crédit Lyonnais.

Yesterday the government said it had appointed a conciliator to try to resolve the dispute. But the Finance Minister, Jean Arthuis, said there was no question of refloating Le Foncier. "We are no longer in the business of creating new publicly owned banks," he said.

The captive governor, Jérôme Meysonnier, originally appointed as an executioner, has gone native and pleaded for his bank's survival. He "understands" and "admires" the protesters but they "should not go beyond certain limits". He faced his fourth night sleeping in his dishevelled office, which he begged the media not to film.

Now the employees insist that they are the victims, not of an economic revolution, but a political plot. They point out that a large part of the bank will be merged with another institution once headed by the present housing minister, Pierre-André Périsson. They compare their bank's modest profits last year with the billions still being spent to bail out the much larger, state-owned Crédit Lyonnais.

Yesterday the government said it had appointed a conciliator to try to resolve the dispute. But the Finance Minister, Jean Arthuis, said there was no question of refloating Le Foncier. "We are no longer in the business of creating new publicly owned banks," he said.

The captive governor, Jérôme Meysonnier, originally appointed as an executioner, has gone native and pleaded for his bank's survival. He "understands" and "admires" the protesters but they "should not go beyond certain limits". He faced his fourth night sleeping in his dishevelled office, which he begged the media not to film.

Now the employees insist that they are the victims, not of an economic revolution, but a political plot. They point out that a large part of the bank will be merged with another institution once headed by the present housing minister, Pierre-André Périsson. They compare their bank's modest profits last year with the billions still being spent to bail out the much larger, state-owned Crédit Lyonnais.

Yesterday the government said it had appointed a conciliator to try to resolve the dispute. But the Finance Minister, Jean Arthuis, said there was no question of refloating Le Foncier. "We are no longer in the business of creating new publicly owned banks," he said.

The captive governor, Jérôme Meysonnier, originally appointed as an executioner, has gone native and pleaded for his bank's survival. He "understands" and "admires" the protesters but they "should not go beyond certain limits". He faced his fourth night sleeping in his dishevelled office, which he begged the media not to film.

Now the employees insist that they are the victims, not of an economic revolution, but a political plot. They point out that a large part of the bank will be merged with another institution once headed by the present housing minister, Pierre-André Périsson. They compare their bank's modest profits last year with the billions still being spent to bail out the much larger, state-owned Crédit Lyonnais.

Yesterday the government said it had appointed a conciliator to try to resolve the dispute. But the Finance Minister, Jean Arthuis, said there was no question of refloating Le Foncier. "We are no longer in the business of creating new publicly owned banks," he said.

Now the employees insist that they are the victims, not of an economic revolution, but a political plot. They point out that a large part of the bank will be merged with another institution once headed by the present housing minister, Pierre-André Périsson. They compare their bank's modest profits last year with the billions still being spent to bail out the much larger, state-owned Crédit Lyonnais.

Now the employees insist that they are the victims, not of an economic revolution, but a political plot. They point out that a large part of the bank will be merged with another institution once headed by the present housing minister, Pierre-André Périsson. They compare their bank's modest profits last year with the billions still being spent to bail out the much larger, state-owned Crédit Lyonnais.

Now the employees insist that they are the victims, not of an economic revolution, but a political plot. They point out that a large part of the bank will be merged with another institution once headed by the present housing minister, Pierre-André Périsson. They compare their bank's modest profits last year with the billions still being spent to bail out the much larger, state-owned Crédit Lyonnais.

Now the employees insist that they are the victims, not of an economic revolution, but a political plot. They point out that a large part of the bank will be merged with another institution once headed by the present housing minister, Pierre-André Périsson. They compare their bank's modest profits last year with the billions still being spent to bail out the much larger, state-owned Crédit Lyonnais.

Now the employees insist that they are the victims, not of an economic revolution, but a political plot. They point out that a large part of the bank will be merged with another institution once headed by the present housing minister, Pierre-André Périsson. They compare their bank's modest profits last year with the billions still being spent to bail out the much larger, state-owned Crédit Lyonnais.

Now the employees insist that they are the victims, not of an economic revolution, but a political plot. They point out that a large part of the bank will be merged with another institution once headed by the present housing minister, Pierre-André Périsson. They compare their bank's modest profits last year with the billions still being spent to bail out the much larger, state-owned Crédit Lyonnais.

Now the employees insist that they are the victims, not of an economic revolution, but a political plot. They point out that a large part of the bank will be merged with another institution once headed by the present housing minister, Pierre-André Périsson. They compare their bank's modest profits last year with the billions still being spent to bail out the much larger, state-owned Crédit Lyonnais.

Now the employees insist that they are the victims, not of an economic revolution, but a political plot. They point out that a large part of the bank will be merged with another institution once headed by the present housing minister, Pierre-André Périsson. They compare their bank's modest profits last year with the billions still being spent to bail out the much larger, state-owned Crédit Lyonnais.

Now the employees insist that they are the victims, not of an economic revolution, but a political plot. They point out that a large part of the bank will be merged with another institution once headed by the present housing minister, Pierre-André Périsson. They compare their bank's modest profits last year with the billions still being spent to bail out the much larger, state-owned Crédit Lyonnais.

Now the employees insist that they are the victims, not of an economic revolution, but a political plot. They point out that a large part of the bank will be merged with another institution once headed by the present housing minister, Pierre-André Périsson. They compare their bank's modest profits last year with the billions still being spent to bail out the much larger, state-owned Crédit Lyonnais.

Now the employees insist that they are the victims, not of an economic revolution, but a political plot. They point out that a large part of the bank will be merged with another institution once headed by the present housing minister, Pierre-André Périsson. They compare their bank's modest profits last year with the billions still being spent to bail out the much larger, state-owned Crédit Lyonnais.



# Old targets to test the mettle of new Labour

**E**veryone thinks Gordon Brown's tax and spending bombshell yesterday was shaped merely to win the coming election. Wrong. It is of course true that Gordon Brown's promises – sticking to existing Conservative spending budgets for two years, no increase in the basic rate of income tax or a new top rate for all five years of the parliament – are likely to improve Labour's chances of winning this year, so long as the electorate believe him. But they are far, far more important for the election beyond, five years from now, and for Labour's chances of ever winning any subsequent election again.

Our cautious support for Gordon Brown's proposals is not based on the view that income tax should never go up, nor on the belief that the Government's present spending plans are perfect in every way. Far from it. Actually here is a strong case for more progressive taxation, including higher and/or income tax rates. And, though the state does not need to expand inexorably, it is possible to be persuaded that certain public service need more investment. In spite of all that, it is still right for the Labour Party, right now, to commit itself to no overall increase in tax and spending.

Labour is boxed in by its poor record. No one associates Labour

with hauling back borrowing, bringing tax down, and reducing spending. In consequence, voters rarely take what Labour politicians say about tax and spending at face value. Everyone suspects that the old heart of old Labour still beats, and that the party's activist instincts, when staff and services are under strain, will be to cry out for more money as the obvious answer. Tony Blair and Gordon Brown fight these traditional instincts, but we know that they are having to fight them, and therefore they are still there.

Even Blair loyalists can't help themselves. Glenda Jackson made a terrific fuss this month about under-investment in London's Tube network. David Clark attacked government cuts in defence only yesterday. Yet the Government was absolutely right to start cutting defence spending; the MoD should be high on Labour's list for a spending review if it wins the election. Can't Labour politicians understand that lower spending (maybe, even privatising services like underground commuter trains) is an important part of distributing social resources justly?

Until they do, until "new" Labour can prove that it can make balanced and fully informed decisions about spending while in power, rather than following more profligate instincts,

vaunted change. Nor will anyone be willing to fork out in higher taxes when and if a genuine and demonstrable need arises.

So Gordon Brown is right. A new Labour government should plan to spend two years getting to grips with existing budgets, and working out how best to spend them (a good principle anyway, after 18 years in opposition). Two years of austerity and prudence might set the public sector unions screaming, but it would do wonders for the credibility of a Labour health minister finally requesting extra cash, with the full facts at his fingertips. And who knows, during those months of management, many Labour MPs may discover to their surprise that all kinds of radical and creative things are possible without demanding additional cash.

The same is true for taxes. When Labour politicians talk about raising taxes on the rich, again, no one takes their words at face value. For most voters, any Labour talk of tax changes is likely to bring the two words "thin" and "wedge" into close proximity. Labour has to prove in power that it does not want to tax the rich out of

envy, and everyone else out of puritanical zeal, before it can build a consensus for a more redistributive tax system. And if that means ruling out major income tax changes for a parliament, so be it.

Smooth speeches from shadow Chancellor are only the start of tackling Labour's credibility deficit. The party will have to prove in government that it can actually put Gordon Brown's promises into practice. Swanning into Whitehall the day after the election, then throwing up their hands in horror and clutching, "We've seen the books, it is much, much worse than we thought," simply will not wash. Of course Labour politicians do not know all the details of the public finances. In truth, though, they know most of it, and, most importantly, they know what they don't know, and therefore what they should not make promises about.

Brown and Blair have taken a risk by betting themselves in so tightly. Sticking to the control total for 1998/99 will not be easy for any government, Conservative or Labour. With so much to lose, they might come to wish they had given themselves more room to manoeuvre. But it is a good gamble, and a tough-minded one.

There are those who think Mr Blair will vindicate his reform of the party simply by winning an election. But vic-

tory itself is not enough. Labour will only prove itself to be truly "new" when it demonstrates that it can govern responsibly, stick to the promises it made the voters, and resist the temptation to indulge itself. Thereafter, maybe, voters will trust the party to redistribute wealth, and risk a new balance of spending. But not until then – and that probably means not until a second term.

## Meanwhile, back on the terraces

**O**n the subject of new Labour, which party does Tom Pendry think he belongs to? There is everything old Labour about calling for a return to standing-only football terraces. Of course many fans yearn to go back to the bad old days when they could sway back and forth in tribal ranks, spilling beer over their little cousins, straining hopelessly to see the game, and terrifying everyone else to death. But the single biggest reason for families returning to football is the arrival of all-seater stadiums. It is not just about Heysel and Hillsborough, this demand for all-seater stands: it is about civilised environments encouraging civilised behaviour. It's a pity Mr Pendry does not get the point.



ONE CANADA SQUARE CANARY WHARF LONDON E14 5DL

TELEPHONE 0171-293 2000 / 0171-345 2000 FAX 0171-293 2435 / 0171-345 2435

## LETTERS TO THE EDITOR

### Why we need European single taxes

Sir: Sarah Helm's report (16 January) that France and Germany favour a common income tax and social security system co-extensive with membership of the proposed single currency, should be welcomed in Britain as the best European news in a long time.

The present Maastricht convergence criteria and monetary relationships have by themselves a deflationary bias. The economies within the single currency least able to contain the upward creep of costs would suffer the worst employment/inflation trade-offs. These weakest regions would therefore bear the brunt of the costs of adaptation, in terms of unemployment and industrial stagnation.

The most enterprising of the unemployed will migrate from such regions, taking their savings with them. Local capital will similarly migrate, leaving a depressed, impoverished region in its wake.

A similar process occurred in southern Italy after the Risorgimento, and South Wales in the 1930s had a "balance of payments" deficit within the UK, owing to a local concentration of inefficient coal mines. Equilibrium in payment flows was restored by the downward crushing of average household incomes through a regional concentration of enforced redundancies.

An analogous threat was posed for Britain by the Maastricht arrangements as they stood. The plans revealed by Sarah Helm in principle provide a way out. Under a federal fiscal system, a member state suffering a structural balance-of-payments deficit, owing to uncompetitive firms, will experience an inflow of funds from other regions, as workers are made redundant.

If fiscal federalist plans include: European element in industrial investment incentives, national measures to stimulate revival will no longer be limited by the "national rate-capping" effect of the Maastricht 3 per cent budgetary deficit ceiling. On the contrary, such measures would attract matching supplementary funding from Brussels.

A fiscal federal system in Europe would provide automatic compensating flows of funds to regions or member states suffering deficits or de-industrialisation (the British case), and the European Union economy could thereby achieve real convergence in productivity between its regions.

The danger is that our wretched political leadership will not realise the opportunity presented to us by the Franco-German protocols until too late.

CYRIL FOHL

Hedley, Essex

Sir: John Redwood ("Jobless in Leipzig, taxed in Liverpool", 17 January) may well be right about the logic of the process driving European Union: let the pound go tomorrow and next week your interest rates will be fixed in Frankfurt, your taxes set in Brussels and your social benefits system defined in Strasbourg. He is only right that the well-off Londoner will be paying taxes which not only go to support the unemployed in Liverpool but to those of Leipzig as well. And in 10 years' time the Londoner's taxes will go to support the unemployed



Pierre Peron

London SE1

Mr Major should wake up to the fact that most European manufacturing companies are just that – they operate on a European stage. Isolation will inevitably be to our detriment and flexibility will mean nothing if we have no industry to be flexible with.

MELISSA HAWKER

Fowlmere, Cambridgeshire

textile workers of Lodz. However, Mr Redwood's alliterative vein can run along the Paris-Bonn axis. The French taxpayer may accept having to pay taxes to support the unemployed of Rouen. Why should he be happy when his taxes are distributed to Rostock by some people from Ravenna? Why should he be different from his British counterpart?

Why are European countries so keen to join the single currency when the British arguments against it apply to them as well? This question is being carefully avoided in British debates about Europe. The closest thing to a British answer to it is to allege that the European political élites have conspired to stifle a debate in which doubts about Europe would be aired in public and it is only in Britain where such a debate is open. This is a bit rich when we consider the unwillingness of British politicians to engage in such a debate before an election.

WOJTEK RAPPAK

London SE4

Sir: So John Major finds it "very surprising" that Ford has decided to take production of the Escort abroad because it is easier to make British workers redundant ("Ford puts Liverpool on road to nowhere", 17 January). May I offer him an explanation?

Britain, unlike Spain and Germany, has refused to sign up to the European Union Social Chapter. This makes our already depleted manufacturing base even more vulnerable.

bus would be too expensive and difficult. You live on a council estate plagued by vandalism and petty crime. You have sold the kitchen table and chairs for other essentials. Non-payment of the TV licence led to a fine, which you have attempted to pay off for the first six months, but having fallen behind, you are being threatened by court proceedings.

However, you are more concerned with the fact that your children are often ill, that there is not sufficient food in the house, no money till the end of the week and your six-year-old is constantly bed-wetting.

For almost two years I visited this woman and her children weekly, along with another similar family, and I wonder if I played a part in her marriage surviving despite all the talk of divorce; whether she really would have been sent to prison had I not pleaded her case; did she and the children gain any real benefit from the outings, etc. It is impossible to quantify the support our unpaid volunteers give, but we rest easy at night. Do all our politicians?

EVE HOARE

Merton, Oxfordshire

Royal model?

Sir: It seems very odd of the Post Office to celebrate the Queen's Golden Wedding year with a set of stamps showing the six wives of Henry VIII.

PETER TATTON-BROWN

Seaton, Devon

### Fear that drives teachers to quit

Sir: Public debate over the proposed changes in the teachers' superannuation scheme (article, 9 January; letters, 15 January)

overlooks the most important aspect of the issue. Early retirement is in the gift of the employer, and employers allow it to save money.

Funding per student in higher education has fallen by 25 per cent over the past five years and is due to decline by another 15 per cent by the end of the decade. New universities spend between half and two-thirds of their income on staff.

The only way they can achieve these levels of "efficiency gains" is by reducing staffing. The best way of doing this is by encouraging early retirement.

A similar situation applies in schools and further education colleges, where governing bodies confronted with reductions in income have to look to staffing in the only area where large-scale economies can be found. Since the introduction of local management, redeployment has ceased to be an option and early retirement is the only alternative to compulsory redundancy. There can be few in education who have not met an out-of-work teacher of mature years who cannot get another job because they are "too expensive".

The present rush to beat the March deadline is not due to staff seeking to join a gravy train. In

many cases the over-fifties are asking themselves: "Should I retire in March on a pension, or stay on and risk being made redundant and having to survive until I am 60 with no pension and no prospect of another job?"

W A GOLDSPIKE

Slough, Berkshire

### Vacuum clue to asthma puzzle

Sir: Your article on wheezing disorders ("Moving house may pose asthma danger", 15 January) struck a chord.

As a qualified aircraft engineer I am naturally familiar with the phenomenon whereby air forced through a narrow gap increases its velocity, and have wondered for some time whether the vacuum cleaner might be contributing to the "asthma" problem.

One day, I used a vacuum cleaner when the sun was shining, and noticed that the exit point for the air was throwing up clouds of dust. Half an hour later, I was (as usual) racked with wheezing.

I have since discovered that for the trouble of opening doors and windows when using a vacuum appliance, wheezing fits become a thing of the past, so the only certain answer, surely, is for houses to have vacuum exit points set into the walls, so no dust can be released back into the house.

As for asthma being related to moving house, the answer is simple. People moving either take their old, dusty carpets with them or else install new, fluffy-prone carpets, both of which require vacuuming.

ANDREW FENTON

Felbridge, Sussex

### Banana bonanza warms the heart

Sir: I think that your editorial misses the point about "Banana man" Phil Calcott ("A bargain? No, it's a banana", 15 January). This isn't an initiative to be assessed by standard economic parameters.

Seven years ago I was driving with friends through New York City and got terribly lost, heading out of Manhattan by mistake across the tollied New York Bridge. Attempts to turn the car round, or requests for help from other drivers, met with standard New York aggression and expeditives, and our car was soon a collective nervous wreck.

As we came to the toll booth without the correct change, I prepared for another round of robust New York "conversation". Instead, I was politely informed that "the lady ahead has paid your fare" and waved through with a smile. The gesture and spirit behind it immediately changed the atmosphere of our car (and a queue of others behind) and touched all of us.

The giving away of huge quantities of bananas, while making a small profit courtesy of Tesco, should not be assessed using life-cycle analysis techniques, as your editorial implies. Phil Calcott's gesture was much more about unconditional giving in a world dominated by "everything having its price" and an increasing fear of social interaction with strangers.

Also, what value do you place on fun?

STEWART BOYLE

Rotherfield, East Sussex

Sir: Tesco's generosity over bananas ("Banana economics", 15 January) is not the only occasion on which it has made sacrifices for customers. Three years ago Tesco issued vouchers to students at Bristol University entitling them to 50p off sandwiches. This coincided with a half-price sandwich offer. For a week we were able to purchase egg-and-cress sandwiches at a price of approximately 5p. For us there was such a thing as a free lunch.

HELEN SIMPSON

Oxford

### Give it the elbow

Sir: The advertisement for Ford cars on pages 14/15 of 16 January shows two young boys being swung off the ground at arms' length by an adult. This manoeuvre is potentially dangerous because of the risk of dislocation to joints in the arm. One can only speculate how many times these boys would have been subjected to this in order to get the desired "shot".

Every year many children suffer pulled elbows in this way, and it was irresponsible to print this. I wonder if you would have felt less comfortable showing two dogs being swung by their tails.

Dr THOMAS J ULAHANNAN

MRCP

Oxford

### Danger: learning

Sir: On the subject of homework for schoolchildren (leading article, 14 January; letters, 16 January), I was once teaching at a secondary modern school. The question of homework came up, and one boy said: "My dad don't agree with homework. He says you only set it so as we can learn more."

J T HUGHES

Orpington, Kent

Post letters to Letters to the Editor, and include a daytime telephone number.

Fax: 0171-293 2056; e-mail: letters@independent.co.uk.

E-mail correspondents are asked to give a postal address. Letters may be edited for length and clarity.

# Scourge of the Brontës returns

**Tuberculosis is not confined to literature, and it is not under control in Britain today, despite what the doctors say. The NHS has been breeding this terrible disease in its wards, says Jack O'Sullivan**

**T**hese women look healthy enough – as well as you or I. Indeed, all three Brontë sisters, Anne, Emily and Charlotte were active, successful writers. Yet even at the moment this picture was painted, each was probably infected with the disease that would eventually kill them. Tuberculosis – an airborne infection that they would have called consumption – ravaged the entire Brontë family, including Branwell, the only son, who painted this picture. But it didn't kill them suddenly. After their initial infection – probably during childhood by their consumptive father, Patrick, in the closed environment of a Haworth vicarage – it took years before the children developed the symptoms (emaciation, persistent cough, racing pulse and night sweats) which show that a latent infection has become active TB.

It is precisely this capacity for



Infected by latent tuberculosis: the Brontë sisters, Anne, Emily and Charlotte (left to right)

By courtesy of the National Portrait Gallery, London

Britain's good reputation for public health, believe the NHS has cracked the problem. The statistics seem to bear out their confidence. Although the number of notified TB cases in New York, which has cost hundreds of millions of dollars, they say TB surveillance has been slack, infection control in hospitals poor, and that the whole problem has not been taken seriously enough.

Pray to the latest research, these experts suspect there is a great deal more TB being spread in Britain than is suggested by official figures. They fear that in a few years, TB, which John Bunyan called "captain of all the men of death", could again be a serious killer, particularly since strains resistant to drug treatment (MDR TB) are now in circulation.

This is not the official view. Developing countries and parts of the United States may have seen dramatic increases in TB, but most professionals, proud of

years to develop the actual disease, someone with HIV can fall ill within a fortnight.

Their susceptibility was demonstrated in 1993, during serious outbreaks of tuberculosis among AIDS patients in two London hospitals – St Thomas's and Chelsea & Westminster. In each case a patient had been present on the ward suffering from tuberculosis. By coughing, the patient infected others with multi-drug resistant (MDR) TB. Several died.

Paul Mayes, 26, is one of the few who survived the Chelsea & Westminster MDR outbreak. Eighteen months later, he is still on six TB drugs plus an injection three times a week. "I'll be on medication for the rest of my life. I lost my home, my partner, I was locked in a room for three months. At one point I was given 10 weeks to live. When you already have AIDS, it is the equivalent of having two potentially fatal illnesses." The side effects of the drugs are nasty. "Streptomycin makes my face go numb. I suffer terrible insomnia. One of the drugs can cause psychosis if there is a build-up."

Old friends who are HIV-positive shrug him, even though he is no longer infectious. "They are frightened of the disease. It's very lonely. I've not found anyone who understands how I feel. Completely filthy. I'm full of such anger about the way I was infected." You can almost hear Keats and Shelley to Nicolo Paganini, in the "white plague". The immuno-suppressed are to TB what canaries were to miners, predictors of unseen dangers. Whereas a healthy person infected with TB may take 30

years to develop the actual disease, someone with HIV can fall ill within a fortnight.

Their susceptibility was demonstrated in 1993, during serious outbreaks of tuberculosis among AIDS patients in two London hospitals – St Thomas's and Chelsea & Westminster. In each case a patient had been present on the ward suffering from tuberculosis. By coughing, the patient infected others with multi-drug resistant (MDR) TB. Several died.

These outbreaks could have been worse. In one hospital in Argentina, 162 patients went down with MDR TB over a three-year period. Some had a TB strain resistant to 10 drugs. Most are dead. The NHS has seen nothing on this scale.

During outbreaks, it is difficult to discover how many people have been infected, beyond the AIDS patients who actually develop the disease. There is a skin test, which reveals exposure to TB bacteria, but it is of little help. Most Britons give a positive reading because the test reacts to the childhood BCG vaccination – an injection providing limited protection against TB in short, until people get sick, we don't know how much newly-transmitted (and possibly drug-resistant) TB is dormant in the population.

So you would expect great attention to be paid to the health of the "tuberculosis canaries", not least because of their vulnerability. Yet we have little reliable information on the incidence of TB disease within this crucial population.

Notification rates of tuberculosis in people with HIV may be as low as 30 per cent, according to a paper published a year ago in the *British Medical Journal* by Dr Meirion Evans, a leading consultant in communicable diseases.

The reason for such reticence is the desire among HIV

doctors to respect their patients' privacy. Dr Pozniak explains: "If these doctors notify a case of tuberculosis to public health officials, then it means the patient must be followed up at home and contacts traced. They fear that the confidentiality of the patient with HIV will be broken."

However, preliminary data from an important new study involving several London hospitals is filling out the picture of what may be happening. Dr Richard Coker, a consultant physician specialising in TB and HIV at St Mary's Hospital, London, has discovered a worrying increase in the proportion of HIV-positive patients who have developed TB in the past three years. Dr Coker said: "Last year less than 10 per cent of HIV in-patients being looked after in St Mary's were being treated for TB. This year, half of my HIV in-patients have a diagnosis of TB."

In short, TB infection seems definitely to be on the increase. The TB canaries – the HIV population – are the first victims of NHS failures. "Our preliminary findings suggest that TB control in Britain is not as good as we thought it was," says Dr Coker. "This could portend badly for the future. As a healthy person, I may have been exposed to MDR TB. If, in 20 years, I get leukaemia or become immuno-suppressed for other reasons, my TB may activate and I will be sick with an infection which is not susceptible to drugs. This will be as a direct consequence of what is happening now."

The NHS is belatedly taking action. Guidance will shortly be published on a nationwide strategy. Some hospitals are considering building separate facilities for TB and HIV patients. A pilot project is under way at Heathrow to improve the monitoring of immigrants, with electronic messaging to doctors replacing the old snail-mail system of tipping them off. New systems are being put in place to protect patient confidentiality so that doctors dealing with HIV-positive patients will improve notification of TB cases.

But all this is being done five years too late. We have yet to calculate the personal cost of this delay. We know that many HIV-positive patients may have died earlier than they otherwise would. In a few years, we may find there are more victims, in the general population, who may spend years in treatment that could have been avoided.

It's a story that's familiar in the history of TB. Machiavelli hit on the truth in *The Prince* when he remarked that "consumption is easy to cure and difficult to understand; but when it has neither been discovered nor treated upon proper principle, it becomes easy to understand and difficult to cure."

The author's "Tuberculosis – America's Health Risk" is published by the Harkness Fellowship of the Commonwealth Fund for New York.

Sleig  
from  
Ch

H

gation officers that he had been diagnosed in Somalia with TB. After he went through immigration, he was sent off to a holding building for immigrants. Then he went to a hostel where there were other refugees. He finally turned up with us because he was severely unwell. By then he had been here for a month and was subsequently diagnosed as having pulmonary TB and as HIV-positive. Many people will have been unnecessarily exposed to TB."

Dr Peter Davies, a leading TB physician at Sefton General Hospital, says: "We have also created the conditions for the spread of TB in hospitals. It is wrong that people with HIV are more often than not being nursed on the same infectious disease wards as TB patients. They may be in separate cubicles, but people will still walk out and mix in day rooms."

Another problem is the availability of nursing care in the community. TB treatment, even for drug-sensitive strains, can involve a six-month course of drug. If the patient does not comply properly, a more virulent, drug-resistant strain of TB might evolve. In the case of such drug-resistant TB, a patient may be like Paul Mayo, become totally friendless and isolated. Unless a nurse is available that patient may not carry on treatment.

Yet, according to Dr Peter Ormerod, there is a serious shortage of TB nurses. "What happens in a town where you have 150 TB cases a year and one TB nurse, who has six weeks holiday a year? The TB doesn't go away when she's not there."

The NHS is belatedly taking action. Guidance will shortly be published on a nationwide strategy. Some hospitals are considering building separate facilities for TB and HIV patients. A pilot project is under way at Heathrow to improve the monitoring of immigrants, with electronic messaging to doctors replacing the old snail-mail system of tipping them off. New systems are being put in place to protect patient confidentiality so that doctors dealing with HIV-positive patients will improve notification of TB cases.

But all this is being done five years too late. We have yet to calculate the personal cost of this delay. We know that many HIV-positive patients may have died earlier than they otherwise would. In a few years, we may find there are more victims, in the general population, who may spend years in treatment that could have been avoided.

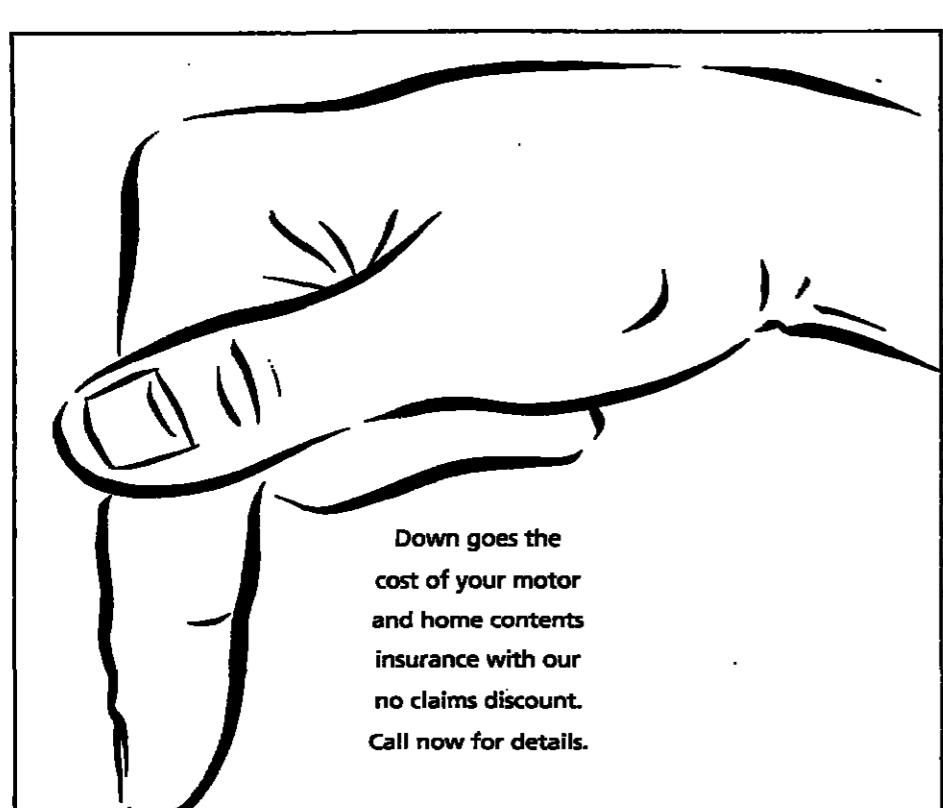
It's a story that's familiar in the history of TB. Machiavelli hit on the truth in *The Prince* when he remarked that "consumption is easy to cure and difficult to understand; but when it has neither been discovered nor treated upon proper principle, it becomes easy to understand and difficult to cure."

The author's "Tuberculosis – America's Health Risk" is published by the Harkness Fellowship of the Commonwealth Fund for New York.

Why E

Attitudes to revolution

E



Down goes the cost of your motor and home contents insurance with our no claims discount. Call now for details.

YOUR MOTOR AND HOME CONTENTS LOWER WITH OUR NO CLAIMS DISCOUNT INSURANCE



MOTOR INSURANCE • BUILDINGS & CONTENTS  
0800 121 000 • 0800 121 004

PAY BY INSTALMENTS INTEREST FREE

MORTGAGE PAYMENT PROTECTION 0800 121 008 • TRAVEL 0800 121 007

Weekdays 8am – 9pm, Sat 9am – 5pm, Sun 10am – 4pm

\*Written details on request. General Accident Direct, FREEPOST, Hamilton ML3 1BR. <http://www.ga.co.uk/gadirect>

## Ronnie's gigs with the Cricklewood Casuals

From Sir Arthur Scaple DSO Sir, I feel the death of Ronnie Scott cannot be allowed to pass without some reference to his deep and abiding love of cricket. Although best known for his work in the jazz field, he shared with many other jazz musicians a fondness for our great national game and would often turn out in his early days for our local team, the Cricklewood Casuals.

I remember finding next to him in the slips one day, and saying to him, "Ronnie" – Ronnie was what we always called him – "Ronnie, you are a creature of the night. How can you play such a sunlight game? You rise and do your work at night, often not retiring to bed before first light. How can you get up during the day in time for a whole game of cricket?"

There came no answer from Scott's bending figure. Then, after a moment, there came a loud snore. Scott was fast asleep in the slips! How we laughed! Yours etc.

From Mr Reg Wallop Sir, I must endorse everything that the previous

writer has said. Ronnie Scott took a keen interest in many sports besides cricket, possibly because he had a compulsion to bet on the outcome of so many events. I believe he would spend hours in the back room of his jazz club watching horses races, and that one of the very few ways you could get through to him on the phone was to ring up and pretend to be a stable boy with a tip.

I was once playing with him in the old Cricklewood Casuals Second XI (he had actually been picked for the First XI but they were playing away in Suffolk, and he had refused to go, saying, "I'm not doing any more out-of-town gigs this month"), and he was put on to bowl in the last over, when the other side, with their first wicket standing, just needed 17 runs to win. Before he bowled the first ball, he said to me, "Bit of a moral dilemma here, Reg. I've placed 50 quid on the other side to win. Could be some loose bowling in this over..."

He then bowled 10 wides in succession. After that he winked at me, said, "Just kidding," and clean bowled the last batsman next

best place in the world for me to go on holiday is Australia. When you fly to Australia, you are immediately acclimated when you arrive – you're awake by day and asleep by night."

Then he nodded off again. Yours etc.

From Jim Wallrush Sir. You might not think that jazz and cricket would mix very well, but Ronnie Scott took advantage of the terminology of jazz when he was bowling to communicate with his wicket-keeper and let him know what to expect.

Slow numbers in jazz are often called ballads, so if he was about to bowl his slow one, he would call out "Ballad coming up". Similarly, he might say "Up tempo" for a fast one. Occasionally he would whistle a tune which I recognised as one of Hoagy Carmichael's old songs, though I couldn't make out which. I asked our wicket-keeper if it meant anything to him.

"That's Hong Kong Blues," he said. "Means he's going to try a Chinaman."

This didn't always work. I remember once he was hit all

over the ground by one batsman, who turned out to be a local drummer and could understand everything Ronnie was trying to keep secret. After he had his turn for free successive boundaries, the drummer said, "Keep swapping fours, shall we, h. Ronnie?" I don't know what it meant, but it didn't best please Ronnie. Yours etc.

From Mr Bobby Randall Sir, The only time I ever met Ronnie Scott, he wasn't there. I had been asked to turn out for a cricket team called the All Star Jazz XI, and one of the reasons I agreed to play was that Ronnie Scott, whom I had never met, was playing in the team. Well, none of the players looked very much like him so I said to the bloke beside me in the slips, who was a young guy, that I had hoped to meet Ronnie Scott.

"Well, you won't today," he said. "He's gone off to play in another cricket match. He sent me in as a dep."

And do you know, it turned out that all 11 of us were deps! Well, that's jazz for you. Or do I mean cricket? Yours etc.

From Sir Arthur Scaple DSO Sir, I think I may have already mentioned that Ronnie Scott could get through a whole over of cricket fast asleep without falling over. When I asked him how this was possible, he said that nothing was easier. He had quite often played entire evenings at out-of-town jazz clubs and been fast asleep throughout.

"I tell you what, though," he said. "Being a jazz musician, working nights and sleeping days, means that the

next morning he would be

over the ground by one batsman, who turned out to be a local drummer and could understand everything Ronnie was trying to keep secret. After he had his turn for free successive boundaries, the drummer said, "Keep swapping fours, shall we, h. Ronnie?" I don't know what it meant, but it didn't best please Ronnie. Yours etc.

From Mr Bobby Randall Sir, The only time I ever met Ronnie Scott, he wasn't there. I had been asked to turn out for a cricket team called the All Star Jazz XI, and one of the reasons I agreed to play was that Ronnie Scott, whom I had never met, was playing in the team. Well, none of the players looked very much like him so I said to the bloke beside me in the slips, who was a young guy, that I had hoped to meet Ronnie Scott.

"Well, you won't today," he said. "He's gone off to play in another cricket match. He sent me in as a dep."

And do you know, it turned out that all 11 of us were deps! Well, that's jazz for you. Or do I mean cricket? Yours etc.

From Sir Arthur Scaple DSO Sir, I think I may have already mentioned that Ronnie Scott could get through a whole over of cricket fast asleep without falling over. When I asked him how this was possible, he said that nothing was easier. He had quite often played entire evenings at out-of-town jazz clubs and been fast asleep throughout.

"I tell you what, though," he said. "Being a jazz musician, working nights and sleeping days, means that the

next morning he would be

over the ground by one batsman, who turned out to be a local drummer and could understand everything Ronnie was trying to keep secret. After he had his turn for free successive boundaries, the drummer said, "Keep swapping fours, shall we, h. Ronnie?" I don't know what it meant, but it didn't best please Ronnie. Yours etc.

From Mr Bobby Randall Sir, The only time I ever met Ronnie Scott, he wasn't there. I had been asked to turn out for a cricket team called the All Star Jazz XI, and one of the reasons I agreed to play was that Ronnie Scott, whom I had never met, was playing in the team. Well, none of the players looked very much like him so I said to the bloke beside me in the slips, who was a young guy, that I had hoped to meet Ronnie Scott.

"Well, you won't today," he said. "He's gone off to play in another cricket match. He sent me in as a dep."

And do you know, it turned out that all 11 of us were deps! Well, that's jazz for you. Or do I mean cricket? Yours etc.

From Sir Arthur Scaple DSO Sir, I think I may have already mentioned that Ronnie Scott could get through a whole over of cricket fast asleep without falling over. When I asked him how this was possible, he said that nothing was easier. He had quite often played entire evenings at out-of-town jazz clubs and been fast asleep throughout.

"I tell you what, though," he said. "Being a jazz musician, working nights and sleeping days, means that the

next morning he would be

over the ground by one batsman, who turned out to be a local drummer and could understand everything Ronnie was trying to keep secret. After he had his turn for free successive boundaries, the drummer said, "Keep swapping fours, shall we, h. Ronnie?" I don't know what it meant, but it didn't best please Ronnie. Yours etc.

From Mr Bobby Randall Sir, The only time I ever met Ronnie Scott, he wasn't there. I had been asked to turn out for a cricket team called the All Star Jazz XI, and one of the reasons I agreed to play was that Ronnie Scott, whom I had never met, was playing in the team. Well, none of the players looked very much like him so I said to the bloke beside me in the slips, who was a young guy, that I had hoped to meet Ronnie Scott.

"Well, you won't today," he said. "He's gone off to play in another cricket match. He sent me in as a dep."

And do you know, it turned out that all 11 of us were deps! Well, that's jazz for you. Or do I mean cricket? Yours etc.

From Sir Arthur Scaple DSO Sir, I think I may have already mentioned that Ronnie Scott could get through a whole over of cricket fast asleep without falling over. When I asked him how this was possible, he said that nothing was easier. He had quite often played entire evenings at out-of-town jazz clubs and been fast asleep throughout.

"I tell you what, though," he said. "Being a jazz musician, working nights and sleeping days, means that the



# business & city

Business news desk: tel 0171-293 2636 fax 0171-293 2098  
BUSINESS & CITY EDITOR: JEREMY WARNER

## Thorn share price rocked by profit warning

**Tom Stevenson**  
City Editor

The slump in the stock market value of Thorn since it demerged from the EMI music business last summer threatened to turn into a rout yesterday after the Radio Rentals to Crazy George's group warned that poor trading and the strong pound would hit profits in the year to March.

Thorn's shares, which started trading at 408p last August, slumped 42.5p to 209p in heavy trading after the company issued a nine-month trading statement in which it warned investors it would make no more than last year's pre-tax profit.

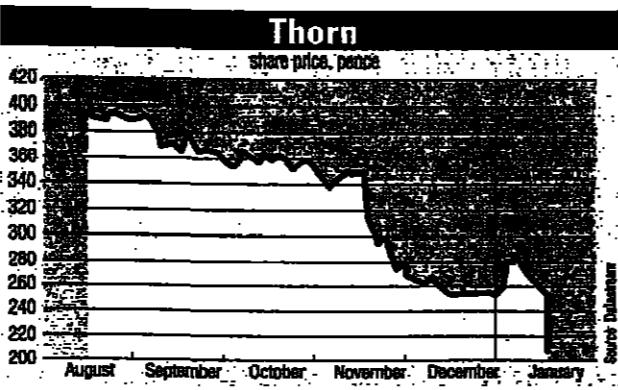
The slump caused dismay among shareholders who had expected the split from EMI to enhance shareholder value in the same way that similar splits by companies such as ICI and Zeneca and Courtaulds had

Demerger fails to boost shareholder value as third-quarter figures cause dismay in the City

unlocked previously hidden potential. Thorn's stock market value has slumped from £1.77bn to £905m.

The warning which accompanied nine-month results, shocked analysts who had pencilled in profits for the year of about £180m. Nick Bubb of MeesPierson said: "The third-quarter figures aren't too disastrous but what they are implying about the fourth quarter takes our forecast down another £10m or so."

A spokesman for Thorn said the problems had been concentrated in December. He added that because turnover in the rental business comes in the form of future monthly payments rather than one-off payments, the full impact of a poor pre-Christmas sales period would only be fully felt in subsequent months.



Third-quarter figures for the nine months to December showed an 8 per cent increase in profits before tax and exceptional items to £123m, struck from sales 5 per cent higher. But the fourth quarter is expected to be further hit by the strength of the pound, which is forecast to

wipe out 10 per cent of US profits on translation.

Thorn is the latest UK company to complain about the impact on profits of the recent surge in the value of the pound. Guinness said last week that 1997 profits would suffer to the tune of £60m and ICI and

British Steel have seen analysts downgrade profit forecasts to reflect sterling's rise.

In the US, where Thorn generates about 60 per cent of its turnover, sales were hit by a price war in the consumer electronics retail market between two of the largest players, Circuit City and Best Buy. With prices of items such as video recorders falling to less than £100 in some cases, the market for renting to low-income households had dried up.

In the UK, Radio Rentals, which together with Granada controls about 85 per cent of the

rental market for consumer electronics, sales had been particularly poor. Thorn admitted it had priced its personal computer rental contracts too high and failed to respond to extreme competition in small screen televisions from Granada.

Poor trading and foreign exchange worries are the latest cloud to darken Thorn's prospects since demerger. They add to the concerns already surrounding the company regarding a spate of court cases in which Thorn is being sued for millions of dollars over the pricing of its rental contracts.

Litigation has focused on whether Thorn's contracts should be covered by consumer credit law which in many states caps the annual percentage rate at which interest can be charged.

Although Thorn claims its contracts are for rental agree-

ments, not credit sales, but sentiment has been hit badly by the loss of two cases in the past four months.

Other concerns include the perception that the market for renting consumer electronics goods is fast disappearing as the products become cheaper. Thorn says it is responding by moving into new rural geographic areas, where there is less competition, and new product areas, such as car rental where it currently has no exposure.

The latest fall in Thorn's share price completes an uncomfortable first five months on the stock market which began with a 17p first-day slide to 391p. EMI, by contrast, jumped to a 37.5p premium on the first day of dealing to £14.60, buoyed by bid speculation. In the absence of any activity, however, EMI has also underperformed in subsequent trading, closing yesterday 13.5p lower at £12.30.

Comment, page 15

## Tunnel fires off salvo over debt talks

**Michael Harrison**

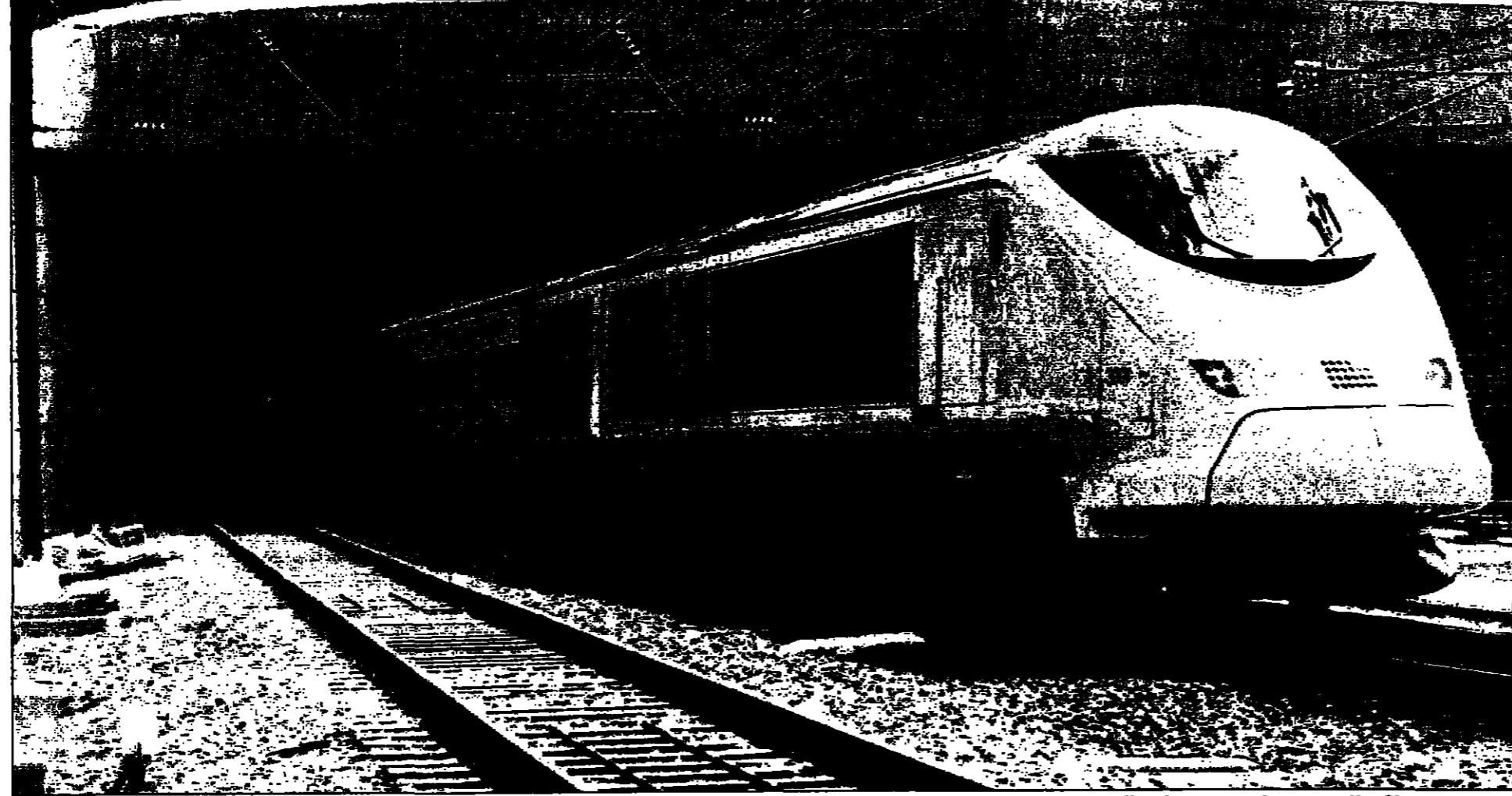
Eurotunnel warned yesterday that the restructuring of its £8.7bn debt mountain is at risk unless the British and French governments agree to extend its concession to run the Channel Tunnel. The company is in negotiations to extend the concession from 65 to 99 years and has set a deadline of the end of March for agreement from the two governments.

Robert Malpas, co-chairman of Eurotunnel, said yesterday in Folkestone: "An extension is critical if we are to secure the support of our bankers and shareholders for the financial restructuring. Without it, it will be even more difficult."

He was speaking as Eurotunnel announced that it had recaptured a third of the cross-Channel market since the fire at the shuttle in November which forced it to close the tunnel. Eurotunnel expects its market share to return to 50 per cent by the end of the year with total revenues forecast to increase to about £600m compared with £450m last year.

The total cost of the fire, including lost revenue, repair work, compensation payments and the replacement of the burnt-out shuttle, is forecast at a maximum of £265m-£270m. However, Eurotunnel said its insurance would cover it for all but £5m-£7m of this.

The only remaining clues to the terrifying conflagration that



Red light: Eurotunnel has set a deadline of the end of March for the British and French governments to reach agreement on extending its concession to run the Channel Tunnel

took place are the exposed steel reinforcing bars hanging from the tunnel roof. The sheer heat of the fire stripped away three-quarters of the 40cm thick concrete lining covering them.

Yesterday, nine weeks to the day after the blaze, work began to repair the tunnel so that it will be "as good or better than the original", according to David Pointon, Eurotunnel's technical director. A team of 140 engineers will work around the clock for the next 16 weeks to repair the lining and renew the tunnel floor, disconcertingly, a few inches deep in water and everywhere the tun-

nel lining is blackened by smoke. But Mr Pointon says: "We have monitored for structural movement and drilled numerous boreholes and the news is good. There is very little ingress of water and no structural movement."

The company said it did not believe the fire would affect its debt restructuring. But because it does not expect to resume full services until June, it has asked banks to extend its debt standstill, under which Eurotunnel has suspended interest payments on its loans, until

the end of the year. Passenger numbers fell by almost a half in December in the wake of the fire and the subsequent reduction in services. No freight shuttles have operated since the incident. Eurotunnel is aiming to restart freight shuttle services by the end of March and complete repairs to the fire-damaged section of the tunnel by mid-May so that it can resume a full service from June.

The plan is to have achieved a full recovery from the fire by the end of 1997. Eurostar services are back to 90 per cent of

normal levels while passenger shuttle services have recovered to 50 per cent of their levels before the fire. Despite the fire, revenues rose by more than 60 per cent to £450m as the number of passengers using the tunnel increased from 8 million in 1995 to 13 million. Eurostar handled just under 4.9 million passengers - giving it 66 per cent of the London-Paris market - while Eurotunnel's Shuttle service carried more than 2 million cars and 58,000 coaches, giving it a 50 per cent share of the tourist market.

So far Eurotunnel's insurers have paid £34m for lost revenue in 1996 and the company said it was confident that the impact of the fire on its finances in 1996 and the first half of this year would be limited.

Last year Le Shuttle carried more than half-a-million trucks compared with 400,000 in 1995, while the railways handled 2.4 million tonnes of rail freight. Until the fire interrupted services, passenger numbers were 87 per cent up on 1995 while the amount of freight carried was 49 per cent higher.

As the pound strengthened further yesterday against the mark, Mr George made clear that the Bank wanted a small rise in interest rates. He also emphasised the need for a gradual tightening to "moderate" the upswing rather than bring the economy to a jarring halt.

However, he reminded his audience that two years ago his message about interest rates was that a stitch in time saved nine and he added: "I bring you the same message."

The speed and size of sterling's appreciation was causing "understandable anxiety", particularly for manufacturers exposed to international competition.

This was already affecting export orders, "clearly a serious issue", creating tension between the strong exchange rate and domestic policy.

But Mr George repeated the Bank's long-standing argument that the stronger exchange rate did not directly affect the problem of the build-up of domestic demand pressure. It would have a one-off downward effect on retail price inflation, but this would drop out of the 12-month calculation during 1998.

The stronger exchange rate would also weaken the trade balance, relieving the pressure on demand, which may have a more lasting effect on inflation.

The Bank would take these factors into account, though there was inevitably a great deal of uncertainty over the timing and scale.

The index for the pound rose 0.2 to 96.8, while against the mark sterling rose 1.14 pennings to DM2,7004.

Deadline over job, page 4

## \$7.3bn Banc One buy creates US card giant

**David Usborne**  
New York

Banc One Corp is buying First USA, a credit-card business based in Dallas, Texas, for \$7.3bn (£4.4bn) in a bold and potentially risky move that will create America's third-largest issuer of credit cards.

The deal will catapult Banc One, based in Columbus, Ohio, into the top league of credit issuers in the US. Combined, the two companies will have a credit card operation with 32 million holders and assets of \$35bn.

The stock transaction could herald a consolidation wave in

## Star culture out of control, warn regulators

**Jill Treanor**  
Banking Correspondent

Top City regulators yesterday expressed concern about the "star" culture being nurtured in the City, warning it failed to win staff loyalty and could have implications for the soundness of firms.

The comments by Nick Durfacher, chairman of the Securities and Futures Authority, and Phillip Thorpe, chief executive of Imro, followed the acrimonious departure of Nicola Horlick from Morgan Grenfell Asset Management last week.

Their comments were not aimed at MGAM directly but at an industry which over recent

months has been dogged by the antics of characters perceived as star performers.

Only four months ago MGAM sacked Peter Young, once one of its top-performing fund managers, after establishing he had set up Luxembourg holding companies to hide his investments in unlisted securities.

The comments by Nick Leeson, now in jail after breaking Barings, was perceived as a star at the bank before it collapsed in February 1995. The same is true of Yasuo Hamanaka, a trader at Japan's Sumitomo.

Nick Durfacher said: "To some extent management have brought it upon themselves by the willingness to put so much

"We use the word 'stars' because we borrowed it from Hollywood and one can observe from casual reading of memoirs coming out of Hollywood that they're difficult to manage for the studios," said Mr Durfacher.

MGAM is fighting to reassure its clients that Mrs Horlick's departure will not impact on the performance of the group, even though she was considered to be one of the key players behind its improved record in recent years.

Dubbed Superwoman for her ability to juggle her hectic family life - she has five children and an investment banker husband - and her "star" role as head of pension funds at MGAM, she was rumoured to earn more than £1m a year.

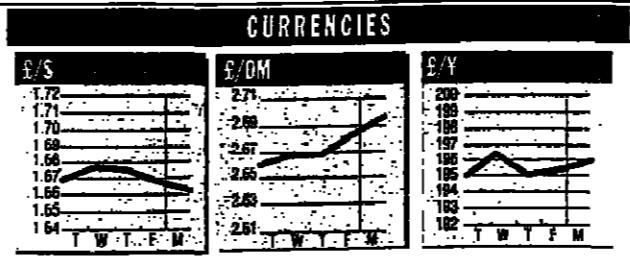
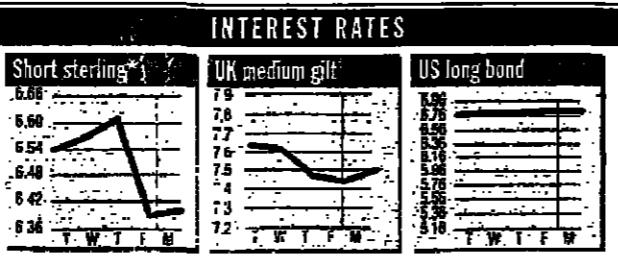
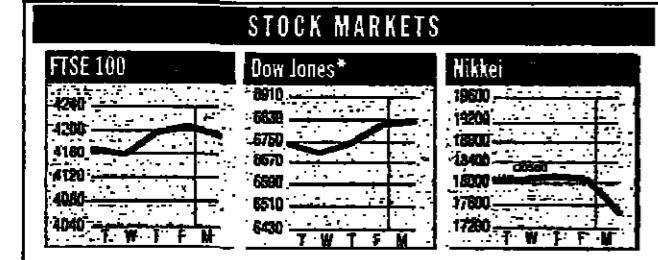
City sources pointed out the irony of MGAM's situation because Deutsche Morgan Gren-

feld, its parent company, is well known for its aggressive stance on hiring. Last year it faced legal action for poaching a team of traders from ING Barings.

Mr Thorpe said he saw nothing wrong with businesses attempting to hire the best people. "However, we are concerned when management's attention seems to wholly focus on performance," he said.

MGAM suspects that Mrs Horlick was trying to poach some of its top fund managers. She denies this.

City sources pointed out the irony of MGAM's situation because Deutsche Morgan Gren-



Source: FT Information

## Olivetti agrees sale of personal computers

**Magnus Grimond**

Olivetti, the Italian information technology group, yesterday moved to tackle the problems that have been besetting it with a £1.25bn-£1.30bn (£96m-£115m) deal to sell its troubled personal computer division.

The loss-making business is going to Piedmont International, a company established for the purpose by Edward Gottesman, a US lawyer based in London whose other interests include Raleigh bicycles and the Fila sports shoe group. The final sale price will be agreed before

the end of February, with Olivetti retaining a 10 per cent stake in the new company.

Plans to sell the PC operation were announced last October as part of a programme to raise around £800m on cut debt and restructure the company. With £1.45bn raised from the recent sale of an 8 per cent stake in Omnitel, one of Italy's mobile telephone groups, the latest disposal means that target has almost been reached.

Olivetti's shares, suspended in Milan yesterday ahead of the announcement, have been rallying from new lows.

١٥٠ من الأصل

rning



## COMMENT

'From very different perspectives and political positions, Mr Tietmeyer and Mr Brown seem to be coming round to the same point of view'

**Other concerns include the perception that the market for renting consumer electronic products becomes cheaper.**

**Thorn says it is responding by moving into new rural geographic areas where there is less competition, and new product areas, such as car rental where it currently has no exposure.**

**The latest fall in Thorn's share price completes an uncomfortable first five months of the stock market which began with a 17p first-day slide to 51.5p.**

**EMI, by contrast, jumped to 37.5p premium on the first day of dealings to £14.60, but with bid speculation. In the absence of any activity, however, EMI has also underperformed a subsequent trading, closing yesterday 13.5p lower at 12.50.**

**Comment, page 12**

# The final triumph of free market principles

**A**nyone reading Hans Tietmeyer's comments in the *International Herald Tribune* yesterday would think he had been converted to Kenneth Clarke's particular brand of British Conservatism. It was wrong, Mr Tietmeyer said, to blame Maastricht for the public spending cuts, labour market reform and welfare upheaval going on throughout Europe; these would be necessary regardless of monetary union, for Europe is losing its position of competitive strength in world markets and needs to respond urgently.

That's remarkable enough for any beneficiary of the German economic miracle, but for the President of the Bundesbank it looks like a form of heresy. What's this?

Unskilled workers should not command high rates of pay, labour regulations are too rigid, collective wage bargaining is not sufficiently flexible. Germany in particular should get away from the idea that the service industries are a humiliating form of work? Hans Tietmeyer is not a politician, he's said this kind of thing before (though not as strongly), and it may be some time before sentiments of this type are echoed publicly by Helmut Kohl. All the same, by German standards, he's still at some very sacred cows.

In a different way, so is the Labour Party in its now very public pronouncements on the importance of sound public finances and low rates of taxation. That this

kind of thing should no longer be thought surprising coming from the shadow chancellor is almost as revealing as Mr Tietmeyer's conversion to the cause of flexible labour markets. Are we beginning to witness the final triumph of Anglo-Saxon free market principles? From very different perspectives and political positions, Mr Tietmeyer and Mr Brown seem to be coming round to the same point of view.

The problem for Mr Brown is that it is all very well to say these things, quite another for him to deliver. It remains to be seen what sort of a credibility gap he has to close with the electorate: with the markets it is still a big one.

The rhetoric is fine, but he's got a hill to climb convincing financial markets that he's as serious about it as claimed. Income tax is any case only part of the equation here. If he has to rely on the windfall profits tax and other wheezes to make the books balance, he could be in trouble.

There is no such thing as a popular tax, however much a windfall levy on the utilities might look like one. While proposals for this tax languished in the £3bn-£5bn range, Labour looked like getting away with it, just about. But if it is true that Mr Brown's office is now looking a £10bn levy – and his comments on income tax yesterday only tend to support the suggestion that he is – then that is a very different matter.

This is not money that it is going to be magicked out of thin air. Ultimately it will be the shareholders who pay. There are about 8 million of them spread across the utilities, and the sums involved begin to look large enough to make an electoral difference. As Mr Brown is about to discover, squaring the circle between Labour's social commitments, its policy of low taxation, Maastricht and the financial markets will be quite as hard as Mr Tietmeyer paints it.

## Demergers are no panacea

**T**he City was beginning to have its doubts about demergers, but the woeful performance of Thorn since its divorce from EMI has confirmed that the great business school idea of the early 1990s is no panacea. Since Thorn EMI did the split in August last year, the rental arm's shares have slumped 47 per cent.

That would not matter so much if the music business had played a more cheerful tune, but it too has fallen, by 16 per cent as bid speculation evaporated.

The theory of demergers is fine as far as it goes. When a valuable gem such as ICI's pharmaceuticals arm is hidden from view behind a lower rated business like

bulk chemicals, it doesn't take a genius to recognise the potential of spinning it off into a rarer sector.

The same was true of Racal's progeny, especially Vodafone, where the potential of the mobile phone revolution was always likely to be diluted by the stock market rating on dull defence electronics contracts.

But the list of failed demergers is lengthening. Hanson's ran aground last year when the City realised the conglomerate's four way split was little more than a dividend cut in fancy clothing. Guinness has turned its back on a break-up. Most tellingly, Sir Christopher Hogg, architect of the Courtaulds demerger, has said he is unconvinced it is the solution to Allied Domecq's deep-seated problems. BAT Industries, likewise, cannot see how demerging tobacco from insurance would add to shareholder value, even though it admits there is no logic in co-existence.

With the benefit of hindsight it is now clear that it was always going to be better to travel than to arrive with Thorn EMI. In the months leading up to last summer's split, optimistic estimates of the value of the music arm to one of the US entertainment giants drove the share price to dizzy heights while no-one really gave a second thought to the dull old rental arm.

Which was a mistake, because dull it was, is and is likely to remain. As yesterday's trading statement confirmed the market in the US for renting commodity products like video recorders and television is drying up as fast as a price war is driving down the cost of buying the machines outright.

What's left of the market is being undermined in the courts where American lawyers have cottoned onto the usurious effective interest rates rent-to-buy contracts imply. The move into car rental, an area already well served by specialists, is a further sign of desperation. Being EMI's unnoticed sibling had its attractions, it seems.

## Whistle blown on gravy train

**T**he gravy train may not yet have hit the buffers but at least the whistle has been blown. Pressure from institutional investors has finally forced Prism Rail to scrap a share ratchet scheme that enriched its founding investors beyond their wildest dreams. But no matter.

Prism's directors own 30 per cent and are likely to be in the money again when a larger player chooses to swallow them in the inevitable consolidation to come. History will judge them as clever arbitrageurs who made their money paying peanuts for train operating companies sold in haste

**George argues for rate increase**

**JIM TREANOR**

**E**dward George, Governor of the Bank of England, yesterday suggested that within a month the strength of the pound was likely to force him to raise interest rates again.

**He said: "It is likely that the Bank will have to take further action to ensure that inflation remains under control."**

**George said: "The Bank is fully aware of the need to keep inflation under control and will continue to do so."**

**He added: "The Bank is fully aware of the need to keep inflation under control and will continue to do so."**

## Prism drops share scheme after big investors' protest

**PATRICK TOOHER**

**P**rism, the owner of four passenger rail franchises, yesterday bowed to pressure from institutional investors and scrapped a controversial bonus share scheme that had made paper profits of more than £30m for its founding shareholders. "It looked a little greedy to us," said one leading fund manager.

The scheme, set up to cover the costs of the founding directors, who have put up £2.6m of their money for tendering for rail franchises, will not kick in if Prism wins any more train operating bids. Prism is on the shortlist for North West Regional Railways and Scotrail.

However, the seven directors, including the chairman, Godfrey Burley, and Len Wright, and one business partner will keep the shares they have already been awarded for previous rail franchise gains. Their stake in Prism was worth £35m at last night's closing price of 550p, down 30p on the day. The shares have soared since they were placed at 100p on the Alternative Investment Market a year ago.

Prism said that following "consultations with certain major shareholder" it was terminating the share ratchet scheme that had operated on passenger rail franchises awarded so far. "This reflects the company's

bidding success and the fact that the continuing need for a ratchet mechanism no longer exists," Prism said.

Instead, Prism will fund the costs and expenses of tenders for the remaining rail franchise tenders by converting the appropriate amount of existing deferred shares held by the directors into ordinary equity. This will be based on the mid-market price of Prism's shares at the time that the preferred bidders are announced. Directors will be allowed to subscribe to any rights issue needed to fund a new franchise win.

It was the award of West Anglia Great Northern, Prism's latest rail franchise, that provoked



**Sharing it out:** The seven directors, including Godfrey Burley (left) and Len Wright, will keep the shares they have already been awarded for previous rail franchise gains

a storm of protest about the directors' share bonanza.

They were granted free shares worth £5.4m as part of a £12m rights issue to help fund the contract to run the heavily subsidised line, which runs from London to Stansted

Airport, Cambridge and Peterborough.

Some commentators estimated that the cost of capital to Prism's shareholders of that deal was as high as 50 per cent.

A company spokesman denied institutional shareholders

had revolted against the ratchet scheme: "The directors want the company to appear mature and reflect the public mood."

However, a leading fund manager insisted that leading investors had let it be known they were unhappy with the scheme.

## £100m PO cuts aimed at bosses

**CHRIS GODSMARK**

**M**iddle and senior managers in the Post Office are to be hit by a £100m cost-cutting programme. John Roberts, chief executive, also announced yesterday a further 15-month freeze in the price of postage stamps lasting until April 1998.

The cost cuts are in response to competitive pressures from other forms of information delivery such as fax machines and electronic mail. Money would be saved by rationalising administrative tasks such as the computer payroll and managerial jobs would "inevitably go" through natural wastage and voluntary redundancy.

The Post Office employs 13,000 managers in regional and national headquarters offices out of a total workforce of 180,000. The plans will be finalised by May.

However, the programme

could prove controversial as it will hit managers at the same time as plans to introduce flexible working affecting the main Royal Mail workforce.

Joint working parties appointed to head off further industrial action over the plans have started meeting with £30m set aside by the Post Office as an incentive to staff to accept the changes. These could include team working and changes to the way mail is delivered.

Meanwhile, the freeze on postal charges means that prices will remain unchanged for 22 months since the last increase in July 1996, when the price of first-class stamps was raised to 26p. Lifting prices by another 1p this year would have raised £150m. The freeze was made possible because the Government has only marginally increased the cash it intends to take from the Post Office in the coming financial year.

## Tesco sales pressurise Sainsbury

**NIGEL COPE**

**T**esco increased the pressure on arch-rival Sainsbury yesterday with better-than-expected Christmas sales figures.

Tesco said in the 21 weeks to

5 January total sales growth was 13 per cent with like-for-like sales 8 per cent ahead. In the five weeks covering the Christmas and New Year period, like-for-like sales were 7.5 per cent ahead of the same period last year. The figures were ahead of the industry average of 5.9 per cent and analysts will be looking ahead to Friday when Sainsbury releases its Christmas trading statement.

Somerville, the former Gateway Foodmarkets group, will report today on its first full trading period since its troubled stock market quote last summer.

NatWest Securities is expecting Somerville's half-year profits of £54.5m. Though the price of Somerville shares was twice cut to ensure the float got away they have been strong recently and closed at a peak of 174p yesterday.

### IN BRIEF

• The Lloyd's of London insurance market will almost certainly recommend a move towards external supervision and away from its current self-regulatory status, senior market watchdogs said. "I would be surprised if the regulatory review does not recommend some sort of external overview," David Gittins, director of Lloyd's regulatory division, said. A review group set up in 1996 to consider market regulation is due to report by the middle of this year. The Conservative Party said in 1995 that it would review Lloyd's regulation in 1997, while Labour is expected to carry out a review of all financial services regulation if it forms the next government, he added.

• The London Stock Exchange published rules governing the American-style automated order book for FTSE 100 stocks, due to be introduced later this year. This will enable member firms and market-makers to prepare for customer testing which begins in April. Responding to the market's comments on opening hours, the pre-opening time for the inputting of orders has been reset at 8am (from 7.45am) with opening now fixed at 8.30am (from 8am). Suspensions of automated execution in a specific share will also be introduced in response to a 10 per cent price movement (previously 5 per cent) and for no more than 10 minutes (from 15 minutes).

• Reed-Elsevier is in advanced talks to buy Colofon, a Dutch publishing group, for about £70m. The deal is expected to enhance earnings in the first year and should be completed in a few weeks, the Anglo-Dutch publisher said in a statement.

• Abbey National is buying a 5 per cent stake in Dah Sing Financial Holdings, one of Hong Kong's leading commercial and retail banks, for HK\$381m (£30m). Last year Abbey, Dah Sing and Hambros, the merchant bank, set up a private banking joint-venture. Peter Birch, chief executive of Abbey National, said: "This investment continues Abbey National's cautious approach to developing business in Hong Kong and South-east Asia. Dah Sing and Abbey National are looking at possible areas for future co-operation in both the wholesale and retail business."

• The environment created by such institutions as government, the civil service, the professions and the education system is to blame for British manufacturers' inability to close the gap with competitors, according to a report to be published next month. The study, *Reassessing the Context of Manufacturing Success*, by the Royal Society for the encouragement of Arts, Manufactures and Commerce (RSA) is based on interviews with senior industrialists, policy-makers and academics and covers some of the same areas as today's long-awaited report, *Promoting Prosperity*, by the Commission on Public Policy.

## Pru settles out of court with GMB members

**NIC CUTTIE**

**P**rusital, the UK's largest insurer, yesterday inched closer to offering redress to victims of the pension transfer scandal as it announced an out-of-court settlement with one of Britain's biggest unions.

Prudential said it had agreed to pay compensation to 13 members of GMB, the general and boilermakers union, on whose behalf writs had been issued against the insurer.

The company also agreed a process to resolve dozens more cases outstanding against it from GMB members and of pay the union a "significant" contribution towards its legal costs.

John Edmunds, general secretary of GMB, said: "I am delighted that the logjam has been broken and we have achieved a full settlement for many of our members."

GMB said yesterday that in addition to Prudential, it had reached settlements with several other insurers, although it still had 700 legal cases outstanding, including many against Legal & General and TSB.

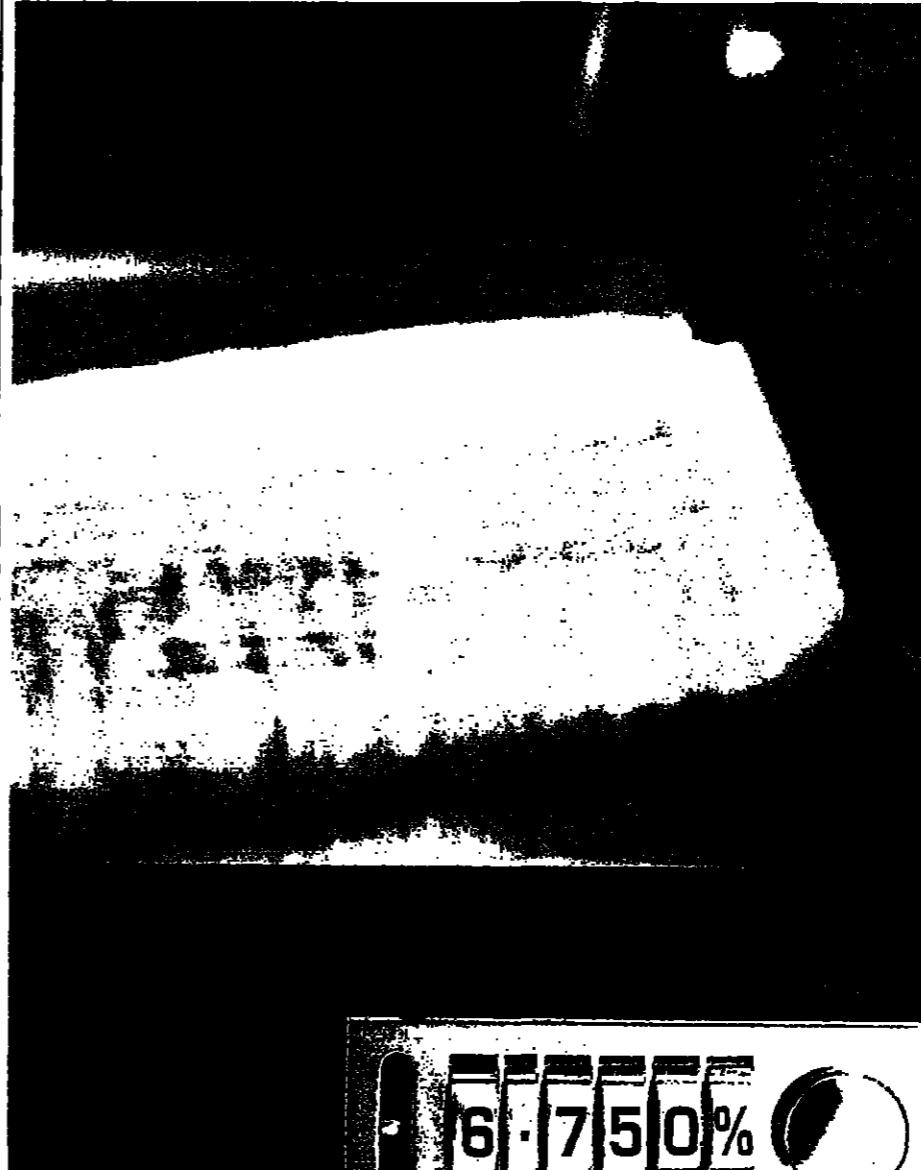
The average compensation deal reached so far was about £25,000, while the cost of legal action was expected to reach

about £10,000 per case, the union said.

Last year, GMB was among several unions to launch mass High Court action on behalf of thousands of members who were encouraged to opt out of their company schemes and were mis-sold personal pensions instead.

A Prudential spokesman said: "We are extremely pleased to reach a settlement. We believe it has been a waste of time and resources both of GMB and of Prudential to proceed through the courts when there were preferable ways of dealing with it through the machinery already set up by the regulators."

Peter Nowell, group chief actuary at Prudential, said: "What we are seeing is that people are reluctant to commit themselves to saving for a long time."



**A Barclays Business Bond opens up a number of attractive investment opportunities.**

For an investment of just £5,000 and anything up to £5 million, a Barclays Business Bond gives you a rate that's both high and guaranteed, until the maturity date of 4.2.98. The Bond is available to all businesses including non-Barclays customers. Early withdrawal is available subject to the cost of redemption. So for one of the finest investment opportunities around, simply contact your local Relationship Manager or key this combination into your phone - 0800 535 354.

Term Interest Payment Option (Per Annum)				
£1M-£5M	6.750% gross	5.40% net	£100,000-£249,999	6.250% gross 5.00% net
£500,000-£99,999	6.625% gross	5.30% net	£25,000-£99,999	6.000% gross 4.80% net
£250,000-£49,999	6.375% gross	5.10% net	£5,000-£24,999	5.875% gross 4.70% net

# business

## Majestic buoyant on bubbly sales

Nigel Cope

Buoyant sales of champagne and Chilean wine helped Majestic Wine Warehouse to a spirited Christmas performance in its maiden results since last November's AIM flotation.

While most of the champagne-bowing was seasonal, the company said it had sold large quantities of vintage bottles to forward-thinking party-givers who are already planning ahead to New Year's Eve celebrations at the millennium.

Majestic has been urging customers to buy their bubbly in advance of 1997 when it will make "very good drinking". Majestic has pre-sold some champagne which it is storing for delivery for the Millennium parties.

The comments came as Majestic announced a slip into the red in the first half to September. Profits of £114,000

turned into a loss of £82,000 as the company continued to invest in store expansion.

A further two stores were opened in November taking the total to 61. Another site will open in Manchester next month. Majestic plans to have 70 stores by March 1998.

"We have got several now at an advanced stage both legally and in terms of planning applications," said Tim How, the chief executive.

The expansion will be funded from existing resources which were boosted by the £2m raised via the group's AIM flotation last year.

Majestic recorded impressive gains with sales in the three months to 30 December up 22.4 per cent ahead of the same period last year. Stripping out the contribution from new stores, like-for-like sales growth was also impressive at 10.8 per cent. For the five weeks over

Christmas, like-for-like sales were up by 12.7 per cent.

Majestic has proved a sterling performer since its shares were priced at 160p in November. Yesterday they edged up a further 2.5p to 290p.

Most of the wine market is accounted for either by supermarkets or by high-street off-licence chains such as Threshers and Victoria Wine. However, Whitbread is testing a warehouse-style off licence formula which sells beer and spirits as well as wine.

Majestic was acquired by the current chairman John Athorp who controlled a rival chain, Wizard Wine. Mr Athorp had made his fortune through the sale of the Bejam frozen food stores to Iceland. He still controls 55 per cent of the shares.

The directors have pledged not to sell the bulk of their shareholdings until 1998.

## Ashtead still towers above the rest

### THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

Ashtead has always stood out in the depressed construction sector. When recession hit in 1990, the plant hire specialist quickly reinvented itself, gradually reducing the amount of direct construction work in the UK from almost 100 per cent to about 25 per cent through a series of acquisitions, mainly in the US, where the rental market is less developed.

It proved to be an inspired move. Unique among rivals such as Vibroplant and Hewden Stuart, Ashtead's profits and earnings have continued to bound ahead, despite hire rates for traditional equipment in the UK such as dumper trucks and compressors being at least 30 per cent below their peak at the start of the decade. In the second quarter rental rates for some products touched record low levels and no pick-up is forecast in the foreseeable future.

Even Ashtead has felt the pinch, with operating margins in UK plant hire slipping by over three percentage points to 17.3 per cent in the six months to October. But a marketing-led approach and decentralised management structure, including an innovative monthly profit share scheme for staff, mean Ashtead continues to grab market share in tough market conditions.

Interim net profits have risen 10-fold in the past five years and the 18 per cent improvement in earnings per share to 7.63p was struck after integrating Ashtead's biggest acquisition – McLean Rentals in the US and Leada Arrow in the UK – for a rights issue-funded £52m. The figures are all the more impressive because they include just £800,000 from the sale of retired equipment against £5m for the whole of last year, while £5.4m was charged against the profit and loss account for spares and parts against £2.4m in the corresponding period.

The US, currently almost a third of sales, is earmarked for further growth. Peter Lewis and George Burnett, Ashtead's founders, reckon rental rates are twice as high across the pond and the fragmented market there is ripe for consolidation. Ashtead operates out of 26 locations in eight US states but the target is to double this by the spring of 1999.

Mr Lewis and Mr Burnett were so encouraged by the reception they got on a US roadshow in October that they are looking into floating Ashtead on the New York stock market this year.

They note that the sector is developing a following among American investors and two US plant hire groups recently went public on stratospheric price/earnings multiples. Certainly, Ashtead is right to go down this route. Its US business alone could be worth more than Ashtead as a group.

History suggests caution. The problem is the US has proved a graveyard for UK players in the past. A year ago, for example, Vibroplant pulled out of the American plant hire business.

Ashtead, with its proven track record, may fare better. But on BZW's forecast of £229m at the pre-tax level the shares, down 3p to 230.5p, look about right on a PE ratio of 15 falling to 12 the following year. Hold.

### Mighty Mitie is cleaning up

When the seasoned investor unearths a company whose acronym stands for "management incentive through investment equity", he could be forgiven

the temptation to run a mile. Mitie, cleaning to building services contractor, is just one of the latest moderns in the long and chequered history of those claiming to have discovered the holy grail of management motivation. Predecessors have included the ill-fated Cannon Street Investments and Southern Business Group, whose problems were solved by a takeover.

Mitie's own brand involves finding thrifty management teams and wrapping them in a cocoon of administrative, financial and marketing support. This all-embracing parcel is then tied

up with a minority stake in the resulting Mitie subsidiary, which can be bought out or swapped for a tax-efficient stake in the top company's quoted shares after five years. Thus far, the formula has been a runaway success: only one of Mitie's managers has elected to sell out of a group which now comprises 47 subsidiaries. More importantly, compound earnings growth has run at 22 per cent since 1990, a record which looks set to be at least equalled in the current year.

Yesterday the group reported a 28 per cent rise in pre-tax profits to £3.25m for the six months to September. After a strong performance on Friday the shares slipped 4.5p to 194p but they are still several times the 34p they were five years ago.

Mitie looks more solidly based than many of its predecessors at this game. Management, led by the chairman, David Telling, have plenty of experience in the business. They also appear to be vacuuming up business being cast off by the big facilities management groups. Contracts ranging from a £1m job cleaning Barclays branches in the Midlands to refurbishing London's Claridges hotel, expected eventually to be worth over £10m, look juicy.

With less than 2 per cent of some extremely large markets, Mitie also has plenty of opportunity to grow. Margins, around 3.5 per cent, are well on the way to 5 per cent and profits of £8.1m are in prospect for the current year, putting the shares on a forward multiple of 25, falling to 20. Not cheap and the market in the shares is thin, with 60 per cent in management hands, but Mitie could be the next Rentokil.

### Outlook rosier at Budgens

At first glance Budgens is not in an enviable position. Sandwiched between the superstores and the discounters it has lost its primary shoppers to one group and the bargain-hunters to the other. With a market share of just 0.4 per cent it is clearly a minnow among whales and its brand is hardly the strongest.

It is not the rosiness of scenarios but in spite of all this Budgens' future is not as black as it seems. Since management under John von Spreckelsen abandoned the failed Penny Market discount format to concentrate more on fresh foods, Budgens' fortunes have been improving. Even the stormy relationship with German shareholder Rewe, which holds a 29.9 per cent stake, seems to have calmed down.

Yesterday's results continued the consolidation. Half-year pre-tax profits up 17.7 per cent to £5m were in line with expectations and the like-for-like sales increase of 4.5 per cent was creditable. Margins have edged ahead due to buying efficiencies gained through membership of a £3bn buying consortium which also includes Lonsdale and Costcutter.

Budgens now concentrates on offering a convenient high street location for consumers to buy their top-up shop. One of the most interesting parts of its strategy is to develop small stores on petrol forecourts through joint ventures with Q8 and Mobil. Budgens is not alone in this area and some smaller formats of the supermarket groups could form formidable competition. But Budgens could steal a march on some competitors as its joint venture deals give it a ready access to good sites.

Finally, if Budgens cannot trade its way to a degree of success shareholders could benefit from possible speculative interest. At 45.75p, down a penny yesterday, the shares are not at much of a premium to net asset value of 42p. As out-of-town planning restrictions bite, Budgens' high street locations could eventually prove attractive to a larger competitor. With Henderson Crosthwaite forecasting full-year profits of £8.8m, the shares trade on a forward rating of 13. About right.

## Saltire hit by strong sterling

Tom Stevenson  
City Editor

Saltire, the struggling electronics distributor formerly known as Cannon Street Investments, saw its shares slide 14p to 77.5p after warning that the strong pound would hit profits, writes Magnus Grimond.

The news prompted UBS, the group's broker, to slash its estimate for last year from £3.2m to just £600,000 and from £4.2m to £3.5m for the current year.

Saltire said weak continental demand for the Altai range of electronic products was being exacerbated by sterling's gains.

A second problem has been Saltire's Network operation in Romania, which is involved in managing and supplying technology and components for a state-owned television manufacturing line. A lack of hard currency has prompted the group to limit the supply of components and profits have been hit as a result.

Finally, the group said the performance of its Maplin catalogue and high street retailing operation in the UK had been held back.

## Ushers heads to the stock market again

pub estate from Courage. Market conditions were against the first attempt, compounded by worries that a brewing contract with Courage would expire without the business being replaced.

Roger North, chief executive, said yesterday Ushers had created a strong contract brewing business to replace the Courage contract which ran out in November. Ushers has rebranded and refurbished its estate, which numbers 542 mainly tenanted pubs. The brewer's own ales have been introduced throughout the pub chain and Ushers beers account for 65 per cent of sales from a standing start.

Company Results			
Turnover £	Pre-tax £	EPS	Dividend
Ashtead Group (f) 74.4m (43.1m)	14.4m (8.7m)	7.63p (6.47p)	0.72p (0.62p)
Budgens (f) 183m (171.8m)	5.04m (4.29m)	2.3p (2.06p)	0.46 (0.35p)
Farmak (f) 30.7m (16.8m)	1m (-364,000)	2.77p (1.19p)	2.75p (2.45p)
Heritage Bathrooms (f) 9.48m (7.35m)	1.98m (1.21m)	7.4p (5.3p)	2.2p (1.82p)
Magnus Grimond (f) 21.94m (17.18m)	-82,000 (114,000)	-4.28p (2.07p)	n/a (n/a)
Maplin Group (f) 91.34m (72.06m)	3.25m (2.5m)	3.2p (2.6p)	0.5p (0.72p)
One Country Homes (f) - (-)	79,891 (-19,732)	0.84p (-0.35p)	n/a (n/a)
(f) Final (f) Interim (n) - Nine months			

Ushers of Trowbridge is having a second stab at floating on the stock market, two years after its first attempt was pulled. News of the planned issue, which is expected to give the regional brewer a market value of up to £130m when shares start trading in February or March, accompanied results for the year to October showing a 9 per cent rise in operating profits to £16.9m.

Ushers first tried to come to market three years after a management buy-in from Grand Metropolitan was followed by the acquisition of a 43-strong

chain of bars.

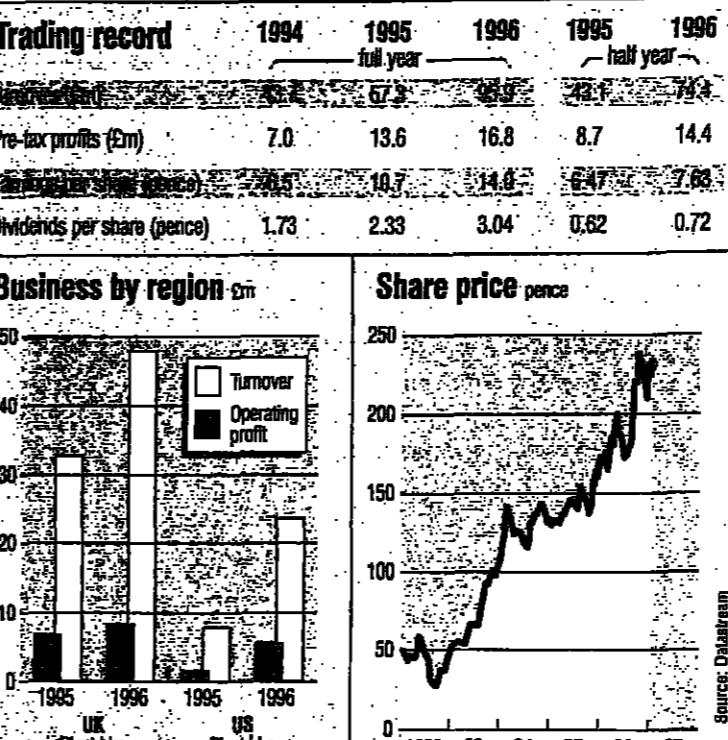
History suggests caution.

The problem is the US has proved a graveyard for UK players in the past.

A year ago, for example, Vibroplant pulled out of the American plant hire business.

### Ashtead Group : At a glance

Market value: £318.1m, share price 230.5p



Source: Datastream

## Our Best Offer Yet!

£1055.15  
inc.VAT

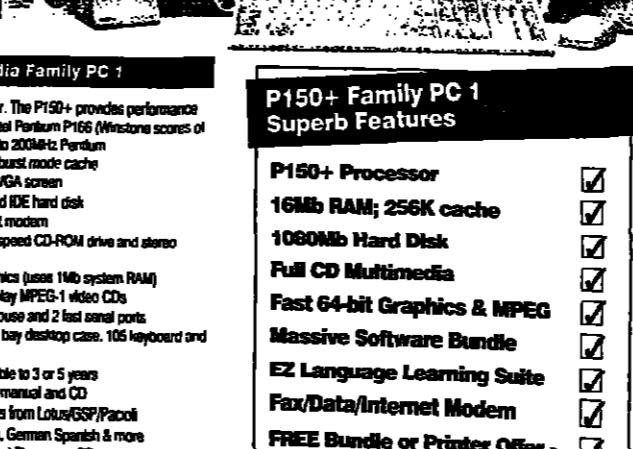
£898 +VAT

£1172.65 +VAT

£1290.15 +VAT

£1525.15 +VAT

£1298 +VAT



CHOOSE FREE CD BUNDLE OR FREE PRINTER

(Limited to first 500 systems. Applicable when you buy any of the above systems)



Claim FREE CD Burner PC, joystick and 10 leading CD multimedia titles combined PIP over CD30

Claim FREE Colour Inkjet Printer (Our normal selling price £175.00 inc. VAT). Includes built-in auto sheet feeder and colour cartridge. (PC printer cable not included)

LEXMARK.

26 Showrooms  
Nationwide

Order Direct on 01282 777 111 Your  
Nearest Computer Superstore

www.computer-superstore.co.uk

01282 777 111

01282 777 111

01282 777 111

01282 777 111

01282 777 111

01282 777 111

01282 777 111

01282 777 111

01282 777 111

01282 777 111

01282 777 111

01282 777 111

01282 777 111

01282 777 111

01282 777 111

01282 777 111

01282 777 111

01282 777 111



## business

# Economic management is not a party political issue. True or false?

**S**o now we know. Labour is committed to following broadly the same personal taxation and public spending policies as the present Government. What does this mean for the business and financial community?

There has been an underground of opinion in recent months that, once the election is out of the way, both taxes and interest rates will have to rise. This, it has been argued, would occur whichever side won the election, the import being that pre-set policies are not sustainable. If you believe this, then neither political party has credible policies: the Tories did not have them, and now Labour has fallen into the same trap. But if you believe what Gordon Brown says and the broad shape of British fiscal and monetary policy will be much the same under either party, at least the first question has become very clear: is that undercutting what Britons face higher taxes and interest rates right?

On interest rates the answer is easy: yes. The UK interest rate cycle is heading upwards and will do so for the next couple of years. Remember that only very short-term interest rates are set by the authorities, and that a rapidly growing economy will put pressure on the available resources, real and financial. So we will have higher interest rates this year and the only issue is how high they will go.

Now taxes. Taxes in aggregate only have to rise if either public spending is not held to present targets, or the present tax levels narrow down the Public Sector Borrowing Requirement insufficiently slowly.

On the spending side the current fashion is to say that the Government's spending plans are not credible, for two reasons. One is that they are based on short-term policies which cannot be sustained through the life of the next parliament; that they are holding down public sector pay in an

unrealistic way, and have cut some long-term spending programmes, particularly on infrastructure, to an unsustainable level. The other reason is that there are structural demands on public spending – more obviously from the ageing population but also from higher expectations from an electorate accustomed to quality services from the private sector – which any new government will have to meet.

There is a problem here on both fronts. The short-term criticism is at least partly true, and a continued squeeze both on public sector pay and on infrastructure projects would probably be more difficult to sustain under Labour than under the Conservatives. As for the demand for quality services, Labour would face just as much demand as the present government. Indeed during its years of opposition it has contributed to the idea that the prime problem of the quality of public sector services has been "Tory cuts".

But none of this need mean that Labour would be unable to deliver the same spending total as the Conservatives. In the short term it could do it if it wanted to simply by saying no; in the long term it could do so by putting even more pressure on the public sector to improve its efficiency. Question: is

Finally, is the Government narrowing the PSBR sufficiently quickly? Here is surely the best news for the winner of the next election. The PSBR is



**Hamish  
McRae**

**One thing may come right. The UK may be able to sustain a lower unemployment rate than it has in the past**

Labour likely to be a more competent manager of public sector services than the Conservatives? On past performance the answer would have to be no, but the 1970s were a long time ago.

Finally, is the Government narrowing the PSBR sufficiently quickly? Here is surely the best news for the winner of the next election. The PSBR is

declining quite fast. Have a look at the graph. The blue bars show the government deficits (in our case the PSBR) for 1996, 1997 and 1998 for the UK, Germany and France. The forecast comes from a respected market source, Deutsche Bank Research – you have to take a market forecast, for you cannot trust governments when it comes to projecting fiscal out-turns. The actual percentages may be wrong but the direction is very clear: the PSBR is whizzing down. And it is projected to go on coming down when that of both France and Germany are stuck at around the 3 per cent of GDP level.

Is that because the UK economy is closer to capacity than France or Germany? Well, in the case of France, yes, but not really in the case of Germany.

The red bars show output gaps as calculated by the OECD. These too are coming down but there is still a little slack from the UK in 1998. It would be difficult to run an economy with zero slack, and all these OECD output gap calculations may be wrong, but we are clearly within a percentage point or so of having a balanced budget if the economy were running close to full output. And a deficit of 1.5 per cent of GDP would be low enough to start cutting back the national debt as a proportion

of GDP, for growth ought to be able to average 2.5 per cent. We are, on those figures, closer than Germany at stabilising the debt burden, while for France the problem is getting to full output in the first place.

To be clear: the UK fiscal position is not wonderful. A new government would have to accept that, unlike France and Germany, there will be relatively little scope for further privatisation to bolster revenues. But the position is not dreadful, either. There is no absolute necessity for increasing taxation in order to speed up the correction of the PSBR unless there is some unforeseen and expensive disaster.

In any case one very important thing may come right. The UK may be able to sustain a lower rate of unemployment than of both France and Germany.

The red bars show output gaps as calculated by the OECD. These too are coming down but there is still a little slack from the UK in 1998. It would be difficult to run an economy with zero slack, and all these OECD output gap calculations may be wrong, but we are clearly within a percentage point or so of having a balanced budget if the economy were running close to full output. And a deficit of 1.5 per cent of GDP would be low enough to start cutting back the national debt as a proportion

of GDP, for growth ought to be able to average 2.5 per cent. We are, on those figures, closer than Germany at stabilising the debt burden, while for France the problem is getting to full output in the first place.

To be clear: the UK fiscal position is not wonderful. A new government would have to accept that, unlike France and Germany, there will be relatively little scope for further privatisation to bolster revenues. But the position is not dreadful, either. There is no absolute necessity for increasing taxation in order to speed up the correction of the PSBR unless there is some unforeseen and expensive disaster.

In any case one very important thing may come right. The UK may be able to sustain a lower rate of unemployment than of both France and Germany.

The red bars show output gaps as calculated by the OECD. These too are coming down but there is still a little slack from the UK in 1998. It would be difficult to run an economy with zero slack, and all these OECD output gap calculations may be wrong, but we are clearly within a percentage point or so of having a balanced budget if the economy were running close to full output. And a deficit of 1.5 per cent of GDP would be low enough to start cutting back the national debt as a proportion

of GDP, for growth ought to be able to average 2.5 per cent. We are, on those figures, closer than Germany at stabilising the debt burden, while for France the problem is getting to full output in the first place.

To be clear: the UK fiscal position is not wonderful. A new government would have to accept that, unlike France and Germany, there will be relatively little scope for further privatisation to bolster revenues. But the position is not dreadful, either. There is no absolute necessity for increasing taxation in order to speed up the correction of the PSBR unless there is some unforeseen and expensive disaster.

In any case one very important thing may come right. The UK may be able to sustain a lower rate of unemployment than of both France and Germany.

The red bars show output gaps as calculated by the OECD. These too are coming down but there is still a little slack from the UK in 1998. It would be difficult to run an economy with zero slack, and all these OECD output gap calculations may be wrong, but we are clearly within a percentage point or so of having a balanced budget if the economy were running close to full output. And a deficit of 1.5 per cent of GDP would be low enough to start cutting back the national debt as a proportion

of GDP, for growth ought to be able to average 2.5 per cent. We are, on those figures, closer than Germany at stabilising the debt burden, while for France the problem is getting to full output in the first place.

To be clear: the UK fiscal position is not wonderful. A new government would have to accept that, unlike France and Germany, there will be relatively little scope for further privatisation to bolster revenues. But the position is not dreadful, either. There is no absolute necessity for increasing taxation in order to speed up the correction of the PSBR unless there is some unforeseen and expensive disaster.

In any case one very important thing may come right. The UK may be able to sustain a lower rate of unemployment than of both France and Germany.

The red bars show output gaps as calculated by the OECD. These too are coming down but there is still a little slack from the UK in 1998. It would be difficult to run an economy with zero slack, and all these OECD output gap calculations may be wrong, but we are clearly within a percentage point or so of having a balanced budget if the economy were running close to full output. And a deficit of 1.5 per cent of GDP would be low enough to start cutting back the national debt as a proportion

of GDP, for growth ought to be able to average 2.5 per cent. We are, on those figures, closer than Germany at stabilising the debt burden, while for France the problem is getting to full output in the first place.

To be clear: the UK fiscal position is not wonderful. A new government would have to accept that, unlike France and Germany, there will be relatively little scope for further privatisation to bolster revenues. But the position is not dreadful, either. There is no absolute necessity for increasing taxation in order to speed up the correction of the PSBR unless there is some unforeseen and expensive disaster.

In any case one very important thing may come right. The UK may be able to sustain a lower rate of unemployment than of both France and Germany.

The red bars show output gaps as calculated by the OECD. These too are coming down but there is still a little slack from the UK in 1998. It would be difficult to run an economy with zero slack, and all these OECD output gap calculations may be wrong, but we are clearly within a percentage point or so of having a balanced budget if the economy were running close to full output. And a deficit of 1.5 per cent of GDP would be low enough to start cutting back the national debt as a proportion

of GDP, for growth ought to be able to average 2.5 per cent. We are, on those figures, closer than Germany at stabilising the debt burden, while for France the problem is getting to full output in the first place.

To be clear: the UK fiscal position is not wonderful. A new government would have to accept that, unlike France and Germany, there will be relatively little scope for further privatisation to bolster revenues. But the position is not dreadful, either. There is no absolute necessity for increasing taxation in order to speed up the correction of the PSBR unless there is some unforeseen and expensive disaster.

In any case one very important thing may come right. The UK may be able to sustain a lower rate of unemployment than of both France and Germany.

The red bars show output gaps as calculated by the OECD. These too are coming down but there is still a little slack from the UK in 1998. It would be difficult to run an economy with zero slack, and all these OECD output gap calculations may be wrong, but we are clearly within a percentage point or so of having a balanced budget if the economy were running close to full output. And a deficit of 1.5 per cent of GDP would be low enough to start cutting back the national debt as a proportion

of GDP, for growth ought to be able to average 2.5 per cent. We are, on those figures, closer than Germany at stabilising the debt burden, while for France the problem is getting to full output in the first place.

To be clear: the UK fiscal position is not wonderful. A new government would have to accept that, unlike France and Germany, there will be relatively little scope for further privatisation to bolster revenues. But the position is not dreadful, either. There is no absolute necessity for increasing taxation in order to speed up the correction of the PSBR unless there is some unforeseen and expensive disaster.

In any case one very important thing may come right. The UK may be able to sustain a lower rate of unemployment than of both France and Germany.

The red bars show output gaps as calculated by the OECD. These too are coming down but there is still a little slack from the UK in 1998. It would be difficult to run an economy with zero slack, and all these OECD output gap calculations may be wrong, but we are clearly within a percentage point or so of having a balanced budget if the economy were running close to full output. And a deficit of 1.5 per cent of GDP would be low enough to start cutting back the national debt as a proportion

of GDP, for growth ought to be able to average 2.5 per cent. We are, on those figures, closer than Germany at stabilising the debt burden, while for France the problem is getting to full output in the first place.

To be clear: the UK fiscal position is not wonderful. A new government would have to accept that, unlike France and Germany, there will be relatively little scope for further privatisation to bolster revenues. But the position is not dreadful, either. There is no absolute necessity for increasing taxation in order to speed up the correction of the PSBR unless there is some unforeseen and expensive disaster.

In any case one very important thing may come right. The UK may be able to sustain a lower rate of unemployment than of both France and Germany.

The red bars show output gaps as calculated by the OECD. These too are coming down but there is still a little slack from the UK in 1998. It would be difficult to run an economy with zero slack, and all these OECD output gap calculations may be wrong, but we are clearly within a percentage point or so of having a balanced budget if the economy were running close to full output. And a deficit of 1.5 per cent of GDP would be low enough to start cutting back the national debt as a proportion

of GDP, for growth ought to be able to average 2.5 per cent. We are, on those figures, closer than Germany at stabilising the debt burden, while for France the problem is getting to full output in the first place.

To be clear: the UK fiscal position is not wonderful. A new government would have to accept that, unlike France and Germany, there will be relatively little scope for further privatisation to bolster revenues. But the position is not dreadful, either. There is no absolute necessity for increasing taxation in order to speed up the correction of the PSBR unless there is some unforeseen and expensive disaster.

In any case one very important thing may come right. The UK may be able to sustain a lower rate of unemployment than of both France and Germany.

The red bars show output gaps as calculated by the OECD. These too are coming down but there is still a little slack from the UK in 1998. It would be difficult to run an economy with zero slack, and all these OECD output gap calculations may be wrong, but we are clearly within a percentage point or so of having a balanced budget if the economy were running close to full output. And a deficit of 1.5 per cent of GDP would be low enough to start cutting back the national debt as a proportion

of GDP, for growth ought to be able to average 2.5 per cent. We are, on those figures, closer than Germany at stabilising the debt burden, while for France the problem is getting to full output in the first place.

To be clear: the UK fiscal position is not wonderful. A new government would have to accept that, unlike France and Germany, there will be relatively little scope for further privatisation to bolster revenues. But the position is not dreadful, either. There is no absolute necessity for increasing taxation in order to speed up the correction of the PSBR unless there is some unforeseen and expensive disaster.

In any case one very important thing may come right. The UK may be able to sustain a lower rate of unemployment than of both France and Germany.

The red bars show output gaps as calculated by the OECD. These too are coming down but there is still a little slack from the UK in 1998. It would be difficult to run an economy with zero slack, and all these OECD output gap calculations may be wrong, but we are clearly within a percentage point or so of having a balanced budget if the economy were running close to full output. And a deficit of 1.5 per cent of GDP would be low enough to start cutting back the national debt as a proportion

of GDP, for growth ought to be able to average 2.5 per cent. We are, on those figures, closer than Germany at stabilising the debt burden, while for France the problem is getting to full output in the first place.

To be clear: the UK fiscal position is not wonderful. A new government would have to accept that, unlike France and Germany, there will be relatively little scope for further privatisation to bolster revenues. But the position is not dreadful, either. There is no absolute necessity for increasing taxation in order to speed up the correction of the PSBR unless there is some unforeseen and expensive disaster.

In any case one very important thing may come right. The UK may be able to sustain a lower rate of unemployment than of both France and Germany.

The red bars show output gaps as calculated by the OECD. These too are coming down but there is still a little slack from the UK in 1998. It would be difficult to run an economy with zero slack, and all these OECD output gap calculations may be wrong, but we are clearly within a percentage point or so of having a balanced budget if the economy were running close to full output. And a deficit of 1.5 per cent of GDP would be low enough to start cutting back the national debt as a proportion

of GDP, for growth ought to be able to average 2.5 per cent. We are, on those figures, closer than Germany at stabilising the debt burden, while for France the problem is getting to full output in the first place.

To be clear: the UK fiscal position is not wonderful. A new government would have to accept that, unlike France and Germany, there will be relatively little scope for further privatisation to bolster revenues. But the position is not dreadful, either. There is no absolute necessity for increasing taxation in order to speed up the correction of the PSBR unless there is some unforeseen and expensive disaster.

In any case one very important thing may come right. The UK may be able to sustain a lower rate of unemployment than of both France and Germany.

The red bars show output gaps as calculated by the OECD. These too are coming down but there is still a little slack from the UK in 1998. It would be difficult to run an economy with zero slack, and all these OECD output gap calculations may be wrong, but we are clearly within a percentage point or so of having a balanced budget if the economy were running close to full output. And a deficit of 1.5 per cent of GDP would be low enough to start cutting back the national debt as a proportion

of GDP, for growth ought to be able to average 2.5 per cent. We are, on those figures, closer than Germany at stabilising the debt burden, while for France the problem is getting to full output in the first place.

To be clear: the UK fiscal position is not wonderful. A new government would have to accept that, unlike France and Germany, there will be relatively little scope for further privatisation to bolster revenues. But the position is not dreadful, either. There is no absolute necessity for increasing taxation in order to speed up the correction of the PSBR unless there is some unforeseen and expensive disaster.

In any case one very important thing may come right. The UK may be able to sustain a lower rate of unemployment than of both France and Germany.

The red bars show output gaps as calculated by the OECD. These too are coming down but there is still a little slack from the UK in 1998. It would be difficult to run an economy with zero slack, and all these OECD output gap calculations may be wrong, but we are clearly within a percentage point or so of having a balanced budget if the economy were running close to full output. And a deficit of 1.5 per cent of GDP would be low enough to start cutting back the national debt as a proportion

of GDP, for growth ought to be able to average 2.5 per cent. We are, on those figures, closer than Germany at stabilising the debt burden, while for France the problem is getting to full output in the first place.

To be clear: the UK fiscal position is not wonderful. A new government would have to accept that, unlike France and Germany, there will be relatively little scope for further privatisation to bolster revenues. But the position is not dreadful, either. There is no absolute necessity for increasing taxation in order to speed up the correction of the PSBR unless there is some unforeseen and expensive disaster.

In any case one very important thing may come right. The UK may be able to sustain a lower rate of unemployment than of both France and Germany.

The red bars show output gaps as calculated by the OECD. These too are coming down but there is still a little slack from the UK in 1998. It would be difficult to run an economy with zero slack, and all these OECD output gap calculations may be wrong, but we are clearly within a percentage point or so of having a balanced budget if the economy were running close to full output. And a deficit of 1.5 per cent of GDP would be low enough to start cutting back the national debt as a proportion

of GDP, for growth ought to be able to average 2.5 per cent. We are, on those figures, closer than Germany at stabilising the debt burden, while for France the problem is getting to full output in the first place.

To be clear: the UK fiscal position is not wonderful. A new government would have to accept that, unlike France and Germany, there will be relatively little scope for further privatisation to bolster revenues. But the position is not dreadful, either. There is no absolute necessity for increasing taxation in order to speed up the correction of the PSBR unless there is some unforeseen and expensive disaster.

In any case one very important thing may come right. The UK may be able to sustain a lower rate of unemployment than of both France and Germany.

The red bars show output gaps as calculated by the OECD. These too are coming down but there is still a little slack from the UK in 1998. It would be difficult to run an economy with zero slack, and all these OECD output gap calculations may be wrong, but we are clearly within a percentage point or so of having a balanced budget if the economy were running close to full output. And a deficit of 1.5 per cent of GDP would be low enough to start cutting back the national debt as a proportion

of GDP, for growth ought to be able to average 2.5 per cent. We are, on those figures, closer than Germany at stabilising the debt burden, while for France the problem is getting to full output in the first place.

To be clear: the UK fiscal position is not wonderful. A new government would

afe on the  
air crashes  
LE & BUSINESSES

THE INDEPENDENT • TUESDAY 21 JANUARY 1997

19

**sport**

# Rough blow for Festival speculators

**Racing**  
GREG WOOD

The Cheltenham Festival may be seven weeks' distant, but for owners and trainers, not to mention punters brave enough to play the ante-post markets, the fateful preliminaries have started already. From now on, the slightest disruption to a horse's preparations will call into question their chance of even reaching the Cheltenham and yesterday it was the turn of those who have pinned their hopes and hard cash to Rough Quest, last year's Grand National winner, to wince at the news from his yard.

"He's got a bit of heat in his near-forg tendon," Terry Casey, Rough Quest's trainer, said, and for those trying to kid themselves that it did not sound too desperate, there was worse to follow. "When that happens to a big steeplechaser you've just got to stop for a while. We'll review the situation in a week or 10 days, but it's not looking very

hopeful for the Gold Cup, or for the rest of the season."

In addition to his victory at Aintree last season, Rough Quest finished runner-up to Imperial Call in the Gold Cup, and had been as low as 6-1 to go one better in March. Many bookmakers removed him from their Festival betting altogether yesterday, and Coral also scratched him from their Grand National list, but William Hill continue to offer 5-1 with a run for the Gold Cup. This seems less than generous when you consider that, even if Rough Quest does make it to the start on 13 March, an interrupted preparation and, perhaps, lack of a prep race should ensure

that he starts at comfortably longer odds.

Casey's frustration yesterday at Aintree last season, Rough Quest was compounded by the fact that Rough Quest appeared to be in excellent heart ahead of his next intended engagement, in the Pilar Chase over the Gold Cup course on Saturday. "He's pretty fit at the moment and he looks very well," the trainer said, allowing those with long-standing bets to hope that, if his injury is less serious than it appears, a swift return to peak fitness may not be beyond his reach. Anyone that optimistic, however, should probably not be in the betting game at all.

Such is the fevered activity in

the markets at this time of the year that no sooner had Rough Quest's name started to recede from Gold Cup calculations than another emerged to replace it. Martin Pipe's Cyborgo, winner of the Stayers' Hurdle at last year's Festival, had not jumped a fence in public yesterday morning, but after an effortless success in his first novice chase at Newton Abbot, he is available at just 16-1 from 25-1 with William Hill to beat Imperial Call and company in less than two months' time. That price is available only on request, however, since the firm believe that a defiance of his Stayers' championship remains the most likely option.

Cyborgo was ridden yester-

day by Tony McCoy, a booking which came as something of a surprise to Paul Nicholls on Sunday afternoon, since the trainer believed that his "gentleman's agreement" with the champion jockey required McCoy to ride his runner, Flushed Out.

As a result, McCoy must now reconcile himself to the first serious setback of what had previously seemed to be a charmed career. Nicholls will now give Philip Hind first refusal on such excellent prospects as See More Business and Belmont King, and while the trainer implied yesterday morning that McCoy might still be considered as a back-up, Paul Barber, part-

owner of See More Business developments – best prices are in bold – in this sphere with *The Independent's* Tuesday service.

## Tote Gold Trophy Handicap Hurdle (2m 110yds)

Home (Trainer/weight)	William Hill	Total
MISTINGPORT (N Tension-Davies) 10st 3lb	5-1	5-1
PENNY A DAY (Mrs M Bowes) 10st 2lb	5-1	7-1
MADE A STAND (M Pate) 10st 3lb	7-1	8-1
DIRECT ROUTE (J H Johnson) 9st 12lb	12-1	10-1
STORM DANCER (P Nicholls) 10st 1lb	12-1	12-1
DEAN STAR (J M Jefferson) 10st 3lb	14-1	14-1
MISTER MERCISS (N Tension-Davies) 10st 3lb	12-1	14-1
BIMBOY (R Murphy) 10st 1lb	18-1	16-1
PADDY'S RETURN (F Murphy) 10st 5lb	20-1	14-1
ZEBALD (D Nicholson) 9st 8lb	20-1	14-1

Each-way a quarter the odds, places 1, 2, 3, 4 (Newbury, Saturday, 8 February)

## Champion Hurdle (2m 110yds)

Home (Trainer)	Corral	William Hill	Ladbrokes	Total
COLTSEY BAY (U Gob) 7-1	3-1	3-1	7-2	
LARGE ACTION (O Sherwood) 6-1	6-1	5-1	7-1	
SPACE TRUCKER (M J Hammon) 7-2	6-1	6-1	6-1	
DEAN STAR (U M Jefferson) 12-1	12-1	12-1	10-1	
SUMMERTIME (D Nicholls) 8-1	10-1	14-1	9-1	
IIZABRA (A O'Brien) 16-1	14-1	10-1	14-1	
CASTLE SWING (D Nicholls) 16-1	16-1	12-1	20-1	
RAILHEAD (D Nicholls) 20-1	20-1	14-1	20-1	
EASIERHAND (D Nicholls) 14-1	14-1	15-1	20-1	
BIMBOY (A O'Brien) 25-1	25-1	33-1	33-1	
CODIENE LAST (In Meade) 25-1	25-1	20-1	25-1	

Each-way a quarter the odds, places 1, 2, 3 (Cheltenham, Tuesday, 11 March)

## Maguire appeals against irresponsible charge

Adrian Maguire has lodged an appeal against the six-day ban he received on Saturday when he was found guilty of irresponsible riding at Kempton.

The jockey was stood down from 27 January after he was

blamed for an incident in which Tom Dascombe, on Country Tarquin, was almost forced out by Maguire's mount, Adilow, approaching the first flight in the novices' hurdle.

Maguire had until 5pm last

night to lodge an appeal. He is awaiting advice from Michael Caulfield, the Jockeys' Association secretary. "Michael is going to look at a video of the race tonight," Maguire said, "and we will take things from there."

Tony Culhane and John Bramhall were banned for five and two days respectively for improper and careless riding respectively in Southwell's finale yesterday. The jockeys' mounts finished second and third.

Roberts insisted that McCoy will continue to ride as a freelance until the end of the season, but the champion's alliance with Martin Pipe will surely grow even stronger, even if trainer and jockey do not agree to a formal contract. Or, for that matter, a gentleman's agreement.

The Champion entries head-

ed by last year's winner, Collier Bay, are down by 16 on the ini-

## RESULTS

### CARLISLE

1.25: 1. NISTER (P Corben) 2. NISTER (P Corben) 3. FORTRESS (P Corben) 4. NISTER (P Corben) 5. FORTRESS (P Corben) 6. NISTER (P Corben) 7. NISTER (P Corben) 8. NISTER (P Corben) 9. NISTER (P Corben) 10. NISTER (P Corben) 11. NISTER (P Corben) 12. NISTER (P Corben) 13. NISTER (P Corben) 14. NISTER (P Corben) 15. NISTER (P Corben) 16. NISTER (P Corben) 17. NISTER (P Corben) 18. NISTER (P Corben) 19. NISTER (P Corben) 20. NISTER (P Corben) 21. NISTER (P Corben) 22. NISTER (P Corben) 23. NISTER (P Corben) 24. NISTER (P Corben) 25. NISTER (P Corben) 26. NISTER (P Corben) 27. NISTER (P Corben) 28. NISTER (P Corben) 29. NISTER (P Corben) 30. NISTER (P Corben) 31. NISTER (P Corben) 32. NISTER (P Corben) 33. NISTER (P Corben) 34. NISTER (P Corben) 35. NISTER (P Corben) 36. NISTER (P Corben) 37. NISTER (P Corben) 38. NISTER (P Corben) 39. NISTER (P Corben) 40. NISTER (P Corben) 41. NISTER (P Corben) 42. NISTER (P Corben) 43. NISTER (P Corben) 44. NISTER (P Corben) 45. NISTER (P Corben) 46. NISTER (P Corben) 47. NISTER (P Corben) 48. NISTER (P Corben) 49. NISTER (P Corben) 50. NISTER (P Corben) 51. NISTER (P Corben) 52. NISTER (P Corben) 53. NISTER (P Corben) 54. NISTER (P Corben) 55. NISTER (P Corben) 56. NISTER (P Corben) 57. NISTER (P Corben) 58. NISTER (P Corben) 59. NISTER (P Corben) 60. NISTER (P Corben) 61. NISTER (P Corben) 62. NISTER (P Corben) 63. NISTER (P Corben) 64. NISTER (P Corben) 65. NISTER (P Corben) 66. NISTER (P Corben) 67. NISTER (P Corben) 68. NISTER (P Corben) 69. NISTER (P Corben) 70. NISTER (P Corben) 71. NISTER (P Corben) 72. NISTER (P Corben) 73. NISTER (P Corben) 74. NISTER (P Corben) 75. NISTER (P Corben) 76. NISTER (P Corben) 77. NISTER (P Corben) 78. NISTER (P Corben) 79. NISTER (P Corben) 80. NISTER (P Corben) 81. NISTER (P Corben) 82. NISTER (P Corben) 83. NISTER (P Corben) 84. NISTER (P Corben) 85. NISTER (P Corben) 86. NISTER (P Corben) 87. NISTER (P Corben) 88. NISTER (P Corben) 89. NISTER (P Corben) 90. NISTER (P Corben) 91. NISTER (P Corben) 92. NISTER (P Corben) 93. NISTER (P Corben) 94. NISTER (P Corben) 95. NISTER (P Corben) 96. NISTER (P Corben) 97. NISTER (P Corben) 98. NISTER (P Corben) 99. NISTER (P Corben) 100. NISTER (P Corben) 101. NISTER (P Corben) 102. NISTER (P Corben) 103. NISTER (P Corben) 104. NISTER (P Corben) 105. NISTER (P Corben) 106. NISTER (P Corben) 107. NISTER (P Corben) 108. NISTER (P Corben) 109. NISTER (P Corben) 110. NISTER (P Corben) 111. NISTER (P Corben) 112. NISTER (P Corben) 113. NISTER (P Corben) 114. NISTER (P Corben) 115. NISTER (P Corben) 116. NISTER (P Corben) 117. NISTER (P Corben) 118. NISTER (P Corben) 119. NISTER (P Corben) 120. NISTER (P Corben) 121. NISTER (P Corben) 122. NISTER (P Corben) 123. NISTER (P Corben) 124. NISTER (P Corben) 125. NISTER (P Corben) 126. NISTER (P Corben) 127. NISTER (P Corben) 128. NISTER (P Corben) 129. NISTER (P Corben) 130. NISTER (P Corben) 131. NISTER (P Corben) 132. NISTER (P Corben) 133. NISTER (P Corben) 134. NISTER (P Corben) 135. NISTER (P Corben) 136. NISTER (P Corben) 137. NISTER (P Corben) 138. NISTER (P Corben) 139. NISTER (P Corben) 140. NISTER (P Corben) 141. NISTER (P Corben) 142. NISTER (P Corben) 143. NISTER (P Corben) 144. NISTER (P Corben) 145. NISTER (P Corben) 146. NISTER (P Corben) 147. NISTER (P Corben) 148. NISTER (P Corben) 149. NISTER (P Corben) 150. NISTER (P Corben) 151. NISTER (P Corben) 152. NISTER (P Corben) 153. NISTER (P Corben) 154. NISTER (P Corben) 155. NISTER (P Corben) 156. NISTER (P Corben) 157. NISTER (P Corben) 158. NISTER (P Corben) 159. NISTER (P Corben) 160. NISTER (P Corben) 161. NISTER (P Corben) 162. NISTER (P Corben) 163. NISTER (P Corben) 164. NISTER (P Corben) 165. NISTER (P Corben) 166. NISTER (P Corben) 167. NISTER (P Corben) 168. NISTER (P Corben) 169. NISTER (P Corben) 170. NISTER (P Corben) 171. NISTER (P Corben) 172. NISTER (P Corben) 173. NISTER (P Corben) 174. NISTER (P Corben) 175. NISTER (P Corben) 176. NISTER (P Corben) 177. NISTER (P Corben) 178. NISTER (P Corben) 179. NISTER (P Corben) 180. NISTER (P Corben) 181. NISTER (P Corben) 182. NISTER (P Corben) 183. NISTER (P Corben) 184. NISTER (P Corben) 185. NISTER (P Corben) 186. NISTER (P Corben) 187. NISTER (P Corben) 188. NISTER (P Corben) 189. NISTER (P Corben) 190. NISTER (P Corben) 191. NISTER (P Corben) 192. NISTER (P Corben) 193. NISTER (P Corben) 194. NISTER (P Corben) 195. NISTER (P Corben) 196. NISTER (P Corben) 197. NISTER (P Corben) 198. NISTER (P Corben) 199. NISTER (P Corben) 200. NISTER (P Corben) 201. NISTER (P Corben) 202. NISTER (P Corben) 203. NISTER (P Corben) 204. NISTER (P Corben) 205. NISTER (P Corben) 206. NISTER (P Corben) 207. NISTER (P Corben) 208. NISTER (P Corben) 209. NISTER (P Corben) 210. NISTER (P Corben) 211. NISTER (P Corben) 212. NISTER (P Corben) 213. NISTER (P Corben) 214. NISTER (P Corben) 215. NISTER (P Corben) 216. NISTER (P Corben) 217. NISTER (P Corben) 218. NISTER (P Corben) 219. NISTER (P Corben) 220. NISTER (P Corben) 221. NISTER (P Corben) 222. NISTER (P Corben) 223. NISTER (P Corben) 224. NISTER (P Corben) 225. NISTER (P Corben) 226. NISTER (P Corben) 227. NISTER (P Corben) 228. NISTER (P Corben) 229. NISTER (P Corben) 230. NISTER (P Corben) 231. NISTER (P Corben) 232. NISTER (P Corben) 233. NISTER (P Corben) 234. NISTER (P Corben) 235. NISTER (P Corben) 236. NISTER (P Corben) 237. NISTER (P Corben) 238. NISTER (P Corben) 239. NISTER (P Corben) 240. NISTER (P Corben) 241. NISTER (P Corben) 242. NISTER (P Corben) 243. NISTER (P Corben) 244. NISTER (P Corben) 245. NISTER (P Corben) 246. NISTER (P Corben) 247. NISTER (P Corben) 248. NISTER (P Corben) 249. NISTER (P Corben) 250. NISTER (P Corben) 251. NISTER (P Corben) 252. NISTER (P Corben) 253. NISTER (P Corben) 254. NISTER (P Corben) 255. NISTER (P Corben) 256. NISTER (P Corben) 257. NISTER (P Corben) 258. NISTER (P Corben) 259. NISTER (P Corben) 260. NISTER (P Corben) 261. NISTER (P Corben) 262. NISTER (P Corben) 263. NISTER (P Corben) 264. NISTER (P Corben) 265. NISTER (P Corben) 266. NISTER (P Corben) 267. NISTER (P Corben) 268. NISTER (P Corben) 269. NISTER (P Corben) 270. NISTER (P Corben) 271. NISTER (P Corben) 272. NISTER (P Corben) 273. NISTER (P Corben) 274. NISTER (P Corben) 275. NISTER (P Corben) 276. NISTER (P Corben) 277. NISTER (P Corben) 278. NISTER (P Corben) 279. NISTER (P Corben) 280. NISTER (P Corben) 281. NISTER (P Corben) 282. NISTER (P Corben) 283. NISTER (P Corben) 284. NISTER (P Corben) 285. NISTER (P Corben) 286. NISTER (P Corben) 287. NISTER (P Corben) 288. NISTER (P Corben) 289. NISTER (P Corben) 290. NISTER (P Corben) 291. NISTER (P Corben) 292. NISTER (P Corben) 293. NISTER (P Corben) 294. NISTER (P Corben) 295. NISTER (P Corben) 296. NISTER (P Corben) 297. NISTER (P Corben) 298. NISTER (P Corben) 299. NISTER (P Corben) 300. NISTER (P Corben) 301. NISTER (P Corben) 302. NISTER (P Corben) 303. NISTER (P Corben) 304. NISTER (P Corben) 305. NISTER (P Corben) 306. NISTER (P Corben) 307. NISTER (P Corben) 308. NISTER (P Corben) 309. NISTER (P Corben) 310. NISTER (P Corben) 311. NISTER (P Corben) 312. NISTER (P Corben) 313. NISTER (P Corben) 314. NISTER (P Corben) 315. NISTER (P Corben) 316. NISTER (P Corben) 317. NISTER (P Corben) 318. NISTER (P Corben) 319. NISTER (P Corben) 320. NISTER (P Corben) 321. NISTER (P Corben) 322. NISTER (P Corben) 323. NISTER (P Corben) 324. NISTER (P Corben) 325. NISTER (P Corben) 326. NISTER (P Corben) 327. NISTER (P Corben) 328. NISTER (P Corben) 329. NISTER (P Corben



We do  
do this

have come home – or to Bath, Bedford or Sale – just in time, when birds of passage, such as Crimble and Jason Robinson.

At the end of Rugby Special they was transmitted a rousing rendition by a male voice choir of 'Cae Rhondda' in Welsh. In St Mirren, watching Wales, not only at Cardiff but until the early 1980s, in Swansea as well, I have never heard the hymn sung in Welsh, always in English. The crowd at Cardiff are unlikely to sing it at all. Why Oh Why, Delight represents the height of their aspirations. But at least the Welsh are decent jokers once again. They're longer look like Christmas tree signs, is something to be grateful for.

Burns had raced along the pitch in pursuit of an assistant referee, Eric Marindale, before being restrained. He was later sent to the stand by the referee, Hugh Dallas. Yesterday the SFA considered the case without making public its decision, but sources confirmed that Burns will now have to sit in the stand for the next 12 months.

Burns was also fined £2,000 to add to a previous fine of £3,000 which was imposed earlier this season, but was cut on appeal to £2,000. The Celtic manager, whose previous record always left him liable to

a ban on this occasion, declined to comment on the decision which will leave his assistant, Billy Stark, in control on the touchline.

The Hearts manager, Jim Jefferies, appeared before the committee in person and left with a £500 fine. The same fine was handed out to the Airdrie manager, Alice MacDonald, while the former Scotland and West Ham full-back, Ray Stewart, now the assistant manager of Stirling Albion, has been banned from the touchline until the end of the season.

Stewart has been banned

from the dug-out until next

season after a row with officials

during Stirling's 5-2 defeat at Falkirk. MacDonald was fined £500 for "using foul language" to an assistant referee after Airdrie's match at St Mirren.

Raith Rovers have cut prices for tonight's friendly with Jürgen Klinsmann's Bayern Munich, which is being staged to mark the redevelopment of Stark's Park. Raith have now made the game pay-at-the-gate with those who have bought tickets priced £15 and £8 to receive £3 and £2 rebates on entry.

"We were pretty happy up

that day about a particular decision and we let our feelings be known, perhaps over-zealously," Jefferies said. He accepted his fine but was in agreement that Burns will now have to sit in the stand for the next 12 months.

Burns was fined £2,000

to add to a previous fine of

£3,000 which was imposed earlier this season, but was cut on appeal to £2,000. The Celtic manager, whose previous record always left him liable to

a change is possibly required to

the end of the season.

"We were pretty happy up

that day about a particular decision and we let our feelings be known, perhaps over-zealously," Jefferies said. He accepted his fine but was in agreement that Burns will now have to sit in the stand for the next 12 months.

Burns was fined £2,000

to add to a previous fine of

£3,000 which was imposed earlier this season, but was cut on appeal to £2,000. The Celtic manager, whose previous record always left him liable to

a change is possibly required to

the end of the season.

"We were pretty happy up

that day about a particular decision and we let our feelings be known, perhaps over-zealously," Jefferies said. He accepted his fine but was in agreement that Burns will now have to sit in the stand for the next 12 months.

Burns was fined £2,000

to add to a previous fine of

£3,000 which was imposed earlier this season, but was cut on appeal to £2,000. The Celtic manager, whose previous record always left him liable to

a change is possibly required to

the end of the season.

"We were pretty happy up

that day about a particular decision and we let our feelings be known, perhaps over-zealously," Jefferies said. He accepted his fine but was in agreement that Burns will now have to sit in the stand for the next 12 months.

Burns was fined £2,000

to add to a previous fine of

£3,000 which was imposed earlier this season, but was cut on appeal to £2,000. The Celtic manager, whose previous record always left him liable to

a change is possibly required to

the end of the season.

"We were pretty happy up

that day about a particular decision and we let our feelings be known, perhaps over-zealously," Jefferies said. He accepted his fine but was in agreement that Burns will now have to sit in the stand for the next 12 months.

Burns was fined £2,000

to add to a previous fine of

£3,000 which was imposed earlier this season, but was cut on appeal to £2,000. The Celtic manager, whose previous record always left him liable to

a change is possibly required to

the end of the season.

"We were pretty happy up

that day about a particular decision and we let our feelings be known, perhaps over-zealously," Jefferies said. He accepted his fine but was in agreement that Burns will now have to sit in the stand for the next 12 months.

Burns was fined £2,000

to add to a previous fine of

£3,000 which was imposed earlier this season, but was cut on appeal to £2,000. The Celtic manager, whose previous record always left him liable to

a change is possibly required to

the end of the season.

"We were pretty happy up

that day about a particular decision and we let our feelings be known, perhaps over-zealously," Jefferies said. He accepted his fine but was in agreement that Burns will now have to sit in the stand for the next 12 months.

Burns was fined £2,000

to add to a previous fine of

£3,000 which was imposed earlier this season, but was cut on appeal to £2,000. The Celtic manager, whose previous record always left him liable to

a change is possibly required to

the end of the season.

"We were pretty happy up

that day about a particular decision and we let our feelings be known, perhaps over-zealously," Jefferies said. He accepted his fine but was in agreement that Burns will now have to sit in the stand for the next 12 months.

Burns was fined £2,000

to add to a previous fine of

£3,000 which was imposed earlier this season, but was cut on appeal to £2,000. The Celtic manager, whose previous record always left him liable to

a change is possibly required to

the end of the season.

"We were pretty happy up

that day about a particular decision and we let our feelings be known, perhaps over-zealously," Jefferies said. He accepted his fine but was in agreement that Burns will now have to sit in the stand for the next 12 months.

Burns was fined £2,000

to add to a previous fine of

£3,000 which was imposed earlier this season, but was cut on appeal to £2,000. The Celtic manager, whose previous record always left him liable to

a change is possibly required to

the end of the season.

"We were pretty happy up

that day about a particular decision and we let our feelings be known, perhaps over-zealously," Jefferies said. He accepted his fine but was in agreement that Burns will now have to sit in the stand for the next 12 months.

Burns was fined £2,000

to add to a previous fine of

£3,000 which was imposed earlier this season, but was cut on appeal to £2,000. The Celtic manager, whose previous record always left him liable to

a change is possibly required to

the end of the season.

"We were pretty happy up

that day about a particular decision and we let our feelings be known, perhaps over-zealously," Jefferies said. He accepted his fine but was in agreement that Burns will now have to sit in the stand for the next 12 months.

Burns was fined £2,000

to add to a previous fine of

£3,000 which was imposed earlier this season, but was cut on appeal to £2,000. The Celtic manager, whose previous record always left him liable to

a change is possibly required to

the end of the season.

"We were pretty happy up

that day about a particular decision and we let our feelings be known, perhaps over-zealously," Jefferies said. He accepted his fine but was in agreement that Burns will now have to sit in the stand for the next 12 months.

Burns was fined £2,000

to add to a previous fine of

£3,000 which was imposed earlier this season, but was cut on appeal to £2,000. The Celtic manager, whose previous record always left him liable to

a change is possibly required to

the end of the season.

"We were pretty happy up

that day about a particular decision and we let our feelings be known, perhaps over-zealously," Jefferies said. He accepted his fine but was in agreement that Burns will now have to sit in the stand for the next 12 months.

Burns was fined £2,000

to add to a previous fine of

£3,000 which was imposed earlier this season, but was cut on appeal to £2,000. The Celtic manager, whose previous record always left him liable to

a change is possibly required to

the end of the season.

"We were pretty happy up

that day about a particular decision and we let our feelings be known, perhaps over-zealously," Jefferies said. He accepted his fine but was in agreement that Burns will now have to sit in the stand for the next 12 months.

Burns was fined £2,000

to add to a previous fine of

£3,000 which was imposed earlier this season, but was cut on appeal to £2,000. The Celtic manager, whose previous record always left him liable to

a change is possibly required to

the end of the season.

"We were pretty happy up

that day about a particular decision and we let our feelings be known, perhaps over-zealously," Jefferies said. He accepted his fine but was in agreement that Burns will now have to sit in the stand for the next 12 months.

Burns was fined £2,000

to add to a previous fine of

£3,000 which was imposed earlier this season, but was cut on appeal to £2,000. The Celtic manager, whose previous record always left him liable to

a change is possibly required to

the end of the season.

"We were pretty happy up

that day about a particular decision and we let our feelings be known, perhaps over-zealously," Jefferies said. He accepted his fine but was in agreement that Burns will now have to sit in the stand for the next 12 months.

Burns was fined £2,000

to add to a previous fine of

£3,000 which was imposed earlier this season, but was cut on appeal to £2,000. The Celtic manager, whose previous record always left him liable to

a change is possibly required to

the end of the season.

"We were pretty happy up

that day about a particular decision and we let our feelings be known, perhaps over-zealously," Jefferies said. He accepted his fine but was in agreement that Burns will now have to sit in the stand for the next 12 months.

Burns was fined £2,000

to add to a previous fine of

£3,000 which was imposed earlier this season, but was cut on appeal to £2,000. The Celtic manager, whose previous record always left him liable to

a change is possibly required to

the end of the season.

"We were pretty happy up

that day about a particular decision and we let our feelings be known, perhaps over-zealously," Jefferies said. He accepted his fine but was in agreement that Burns will now have to sit in the stand for the next 12 months.

Burns was fined £2,000

to add to a previous fine of

£3,000 which was imposed earlier this season, but was cut on appeal to £2,000. The Celtic manager, whose previous record always left him liable to

a change is possibly required to

the end of the season.

"We were pretty happy up

that day about a particular decision and we let our feelings be known, perhaps over-zealously," Jefferies said. He accepted his fine but was in agreement that Burns will now have to sit in the stand for the next 12 months.

Burns was fined £2,000

to add to a previous fine of

£3,000 which was imposed earlier this season, but was cut on appeal to £2,000. The Celtic manager, whose previous record always left him liable to

a change is possibly required to

the end of the season.

**Keith Elliott**  
Mushers the scourge  
of lovers, page 20

20  
sp

# sport

**Alan Watkins**  
The greatest sporting competition  
in the world, page 20

## Rowell sends Hill into the England fray

### Rugby Union

CHRIS HEWETT

The long shadow of domestic rugby politics hung heavily over the Five Nations' Championship once again yesterday. Rank and file supporters are beginning to suspect that it might be easier to sort out the future of Hebron than solve the tedious conflict between Twickenham and its insubordinate senior clubs.

For Richard Hill of Saracens, however, it was a red letter day all the same. The 23-year-old open-side flanker from Surrey will win his first cap for England against the Scots in the Calcutta Cup match on Saturday week. He first announced his rich potential as a pupil at Bishop Wordsworth's School in Salisbury and if his emergence puts an end to the frustrating search for a long-term successor to the great Peter Winterbottom, we can expect to see Jack Rowell, the national coach, sinking to his knees in the middle of Cathedral Close and reciting a prayer of thanksgiving.

England have been hunting high and low for a fast, muscular and physically imposing breakaway since "Winter's" packed it in almost four years ago and, at 2m and very nearly 16st, Hill has the right dimensions. Whether he has the mental hardness to survive at Test level, only time will tell. At least he has the opportunity to

find out. In theory, that is. Reports that the big white chiefs from Epic, the umbrella organisation representing clubs in the top two divisions of the Courage League, were renewing their threat to withhold players from international duty in the absence of a final agreement on decision-making procedures in the new professional game removed some of the shine from Rowell's announcement of a new-look side.

However, Charles Levison, the senior Wasps committee man who has negotiated on behalf of Epic in recent months, said yesterday that the December scenario was extremely remote. "Nothing is being threatened," he insisted. "We were concerned that the documentation we received at the beginning of the month did not

reflect what had been agreed between the two sides in December, but we had a constructive meeting with the Rugby Football Union last Thursday and we expect to iron everything out this week."

Rugby's version of the bush telegraph had suggested that the only way Will Carling would face the Scots would be if every other half-decent centre in the country was ordered by his club to stay at home. As usual, the reports of Carling's demise were seriously premature; for the fourth time this season, Rowell has preferred his former captain to his former protégé, Jeremy Guscott – a decision that will be greeted with bemusement well beyond the narrow confines of Bath, where Guscott was canonised years ago.

Carling will play at outside centre – a position in which his suspect passing will be less exposed – with Phil de Glanville returning, as captain, alongside him. Rowell admitted that de Glanville's position had been as much under revision as everyone else's in the aftermath of last month's shambles against Argentina, but said he was reassured by reports from the Recreation Ground, where Bath put 50 points on Northampton on Sunday.

Two other back backs were not so fortunate; as expected, Mike Cart's inability to do the simple things anywhere near as well as he does the difficult ones means a recall for the goalkicking Paul Grayson – "Mike will develop, possibly as a centre," Rowell said – while Adedayo Adebayo, fit again after concussion, has failed to shift Tony Underwood from the left wing berth.

Other changes see Tim Stimpson return at full-back – one of the easiest decisions confronting the selectors – and two positional switches in the back row. Lawrence Dallaglio shifts to his club position of blind-side to make room for Hill, with Tim Rodber elbowing aside Chris Sheasby at No 8.

However, perhaps the most significant selection was buried among the replacements, where Austin Healey was named as reserve scrum-half. More talkative than Clive Anderson and marginally quicker than Linford Christie, the outstanding Leicester prospect finds himself promoted above Kyran Bracken, who, in turn, had been expected to replace Andy Gomarsall in the starting line-up.

Bracken is now out in the cold – or, at least, in the chilly surroundings of the England A team, who face the Scottish second-string at Harlequins a week Friday. It is a sure sign of changing times; Healey, still a wily couple of seasons back, may well be in the full England side by the end of the championship.

AUCKLAND BLUES SQUAD: A Cashmore, J Vidar, J Lomu, B Lima, E Clarke, J Stevens, C Spencer, G Luapepa, T Marsh, M Scott, J Tomaru, O Brown, P Thompson, C Dowd, S Riz, D Williams, A Baines, M Carter, D Mills, B Brooks, P Brooks, P Franks, C Rademann, L Letalak, A Rose.

## Bath's No 1 target is Woodward

CHRIS HEWETT

Bath, the Courage league champions, are not letting the grass grow under their feet as they seek to replace Brian Ashton, the respected coach who quit the Recreation Ground earlier this month.

Clive Woodward, who resigned his post at London Irish shortly before Christmas, is their top target. Woodward, capped 21 times by England in the early 1980s and a Lion in both 1980 and 1983, watched the West Countrymen put 50 points past Northampton on Sunday and had talks with senior club officials. Bath sources were hopeful of his agreeing terms this week.

If Woodward, who has thriving business interests, decided to commit himself to what would certainly be a high-pressure role, he would strengthen his ties with Andy Robinson, the Bath flanker who took over as chief coach following Ashton's

departure. The two men worked together with the England Under-21 side last season and are still heavily involved in the national set-up.

Jonah Lomu is returning to England next month in an Auckland Blues squad chosen for a small tour of Europe as part of their preparations for the defence of their Super-12 title.

The All Black captain, Sean Fitzpatrick, the stand-off sensation Carlos Spencer, Fijian flier Joeli Vidar and Test No 8 Zinzan Brooke are also on the tour, which starts against Bristol at the Memorial Ground on 13 February (kick-off 7.30pm). The Blues will also play Harlequins (18 February) and Toulouse (23). The touring side will comprise 13 All Blacks, three former Test players and Fijian and Western Samoan internationals.

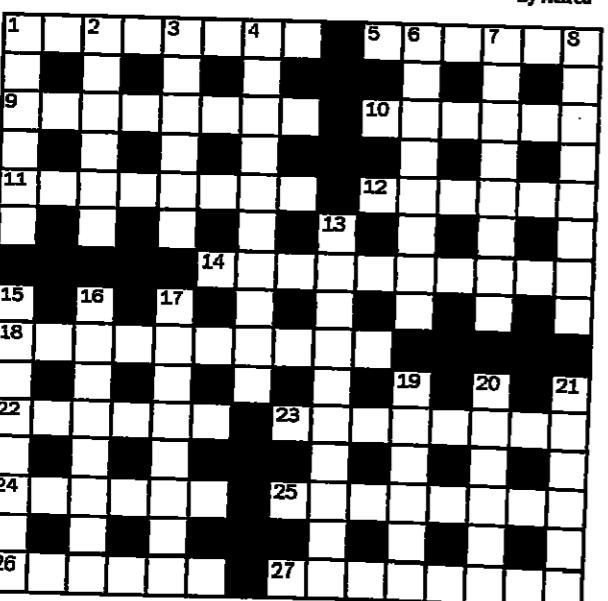
AUCKLAND BLUES SQUAD: A Cashmore, J Vidar, J Lomu, B Lima, E Clarke, J Stevens, C Spencer, G Luapepa, T Marsh, M Scott, J Tomaru, O Brown, P Thompson, C Dowd, S Riz, D Williams, A Baines, M Carter, D Mills, B Brooks, P Brooks, P Franks, C Rademann, L Letalak, A Rose.

### THE INDEPENDENT CROSSWORD

No. 3281. Tuesday 21 January

By Adred

Munday's Solution



**HICKBACK** BROACH  
I H E A C E O E  
S N A K E I N T H E G R A S S  
N L I O A B I  
E N T A I L S W A R R A N T  
T E A N M D B A  
N U M E R A T I O N S T A R T  
S S L I C E  
C Z E C H B E N E F I C E  
H E R I L O O  
O U T R A G E C H A R G I N G  
D I R C H U N D A  
N O T W I T H S T A N D I N G  
E A N T I C I Q U E  
H E N E I G H T E O N E L I N E R

ACROSS  
1 Game for privatisation? (8)  
5 Black pupils in rich group (3,3)  
9 Give account of how to remove graffiti? (8)  
10 Cry of encouragement about motorist's friend that's listened to (6)  
11 Our silly changes will be without reality (8)  
12 Broadcast European conclusion (6)  
14 Sort out reportedly missing handful of digits (10)  
18 Exposing us when subject to a Wagner work (10)  
22 Note metal tag attached to young bird (6)  
23 Prime Minister embracing in Hampshire is figure of imagination (8)

DOWN  
1 Awful dump that is a source of childish amusement (3,3)  
2 Make oneself comfortable in unusual lets in north-east (6)  
3 Harp is played in area served by church (6)  
4 Socialist or a right-winger? The answer's found empirically here (10)

6 Longings not to have Japanese money in pay (6)  
7 Like a crash course for pilots? (8)  
15 Like observed surrounding king taking Ecstasy (6)  
16 Flow from anchorage into swirling Dee gives one an adventure (8)

19 A number gain possibly from pain (6)  
20 Tomorrow graduate will collect two articles (6)  
21 Get in the way of some dim PE department (6)

alternatively, splashing cold water over your head may help. If all fails, slump in a Melbourne yesterday as temperatures rose past 50C

Pete Sampras tried the lot in

Photographs: Allsport/Reuter/AP

... or you could try a lettuce leaf under your hat

These are hardly salad days for the likes of Steffi Graf and Pete Sampras, who have both found the stifling heat of Melbourne heavy going. But advice to tackle the oppressive on-court temperatures is being offered by the Australian cyclist Alan Facon. When the heat is on, he puts a lettuce leaf on his head.

On the day that Sampras sweltered through five sets at the Australian Open, Facon combed victory in a five-day race and then revealed the secret of his success:

Munching a salad before the concluding hour-long stage, Facon decided to put the lettuce under his helmet. Its high

water content it would keep his head cooler, he reasoned after getting the idea from his Spanish team-mates.

Such Spanish practices would not defeat the other heat victim yesterday: the floodlights, which went out for over half an hour in the match between Thomas Muster and Jim Courier.

## Dalglish brings Raul to Britain

### Football

ALAN NIXON

Kenny Dalglish was overseeing comings and goings at Newcastle United yesterday, acquiring the Portuguese defender Raul and considering Sunderland's £2.5m offer for Lee Clark.

Dalglish has gone abroad to make his first signing, the Under-21 international Raul, who is out of contract at Farense, on a free transfer.

"There have been problems at Farense where I have not been paid," the £2m-rated Raul said. "My contract has now been cancelled and I'm free to go."

The new Newcastle manager, however, has a difficult task deciding Lee's fate after Sunderland met the asking price for the transfer-listed midfielder, who has scored in United's last four games.

The home-grown Clark is still on the transfer list because

he wants regular first-team football, but Newcastle have no obvious replacements.

Sunderland have also been active in Poland, with manager, Peter Reid, trying to sign the Polish World Cup player, Marek Cikko from under-Blackburn Rovers' nose.

Reid has stepped in for the Widzew Lodz striker who met the Rovers caretaker manager, Tony Parkes, last week. But Blackburn are stalling on the deal and now want to take Cikko on loan first.

The striker, who scored against England in the World Cup, has rejected that idea and now Sunderland are prepared to pay the £4m asking price.

Gianluca Vialli has put Chesterfield minds at rest by pledging his future to the club.

"I am not at all thinking of going away," the former Juventus captain said. "What has happened has been blown out of proportion because of a couple of phrases a week ago.

"I believe it is best to re-

main... seated. As the Chinese proverb says, 'Seated on the banks of the river, waiting for things to change'."

The smile returned to Vialli's face on Saturday – even though he was on the substitutes' bench – when Dennis Wise scored against Derby County then unveiled a T-shirt which read "Cheer up, Luca, we love you".

The Norwich winger Darren Eadie has signed an extension to his contract which will keep him at Carrow Road until 1999. Norwich have also signed the Everton defender Neil Moore on a short-term contract. The 24-year-old Liverpudlian had been on loan at the First Division club.

The Hartlepool manager, Mick Tait, who quit over the weekend, was back in charge yesterday after being persuaded to change his mind. Tait resigned just three weeks after being officially made manager in a dispute over plans to scrap the club's youth policy.

All prices include airport taxes. All hotels are centrally located and have ensuite bathrooms.

## Sampras fears for his health

### Tennis

DERRICK WHYTE

reports from Melbourne

said: "It could be just a matter of time before someone dies out there."

Under the rules of women's tennis, play can be delayed in extreme conditions. But an appeal by players to postpone their matches yesterday was overruled by the committee which runs the Grand Slam tournaments, saying it was unfair on those who had played the previous day.

The match between the Romanian eighth seed, Irina Spirlea, and the ninth seed, Karina Habsudova of Slovakia, was delayed by 30 minutes while officials reviewed their request.

"We were just asking if it's possible to play tomorrow," Spirlea said after winning 6-4, 6-4.

In men's tennis there are no rules governing extreme heat. Cooling fans were placed beside the courts yesterday and players draped ice-packed towels over their shoulders at the change of ends in an attempt to cool down.

"It was so hot today, it was a joke," Sampras said after eventually winning 6-7, 6-3, 6-4, 3-6, 6-4. "My feet were on fire and we were both feeling it."

On his victory, Sampras said: "There's an old saying, it's better to be lucky than good, and I definitely had a lot more luck than good today."

The fifth seed, Thomas Muster, overcame a series of injuries and a brief floodlight failure to beat the 11th seed, Jim Courier, in a match which lasted two hours 42 minutes and which ended in the early hours of Tuesday. Muster received treatment for shoulder and hip soreness and blisters on the feet during his 6-2, 3-6, 7-6, 6-3 victory.

Age provided some protection against the heat and certainly did not stop 16-year-old Martina Hingis in her drive to become the youngest-ever Grand Slam champion. She survived a first-set scare to beat Romania's Roxandra Dragomir 7-6, 6-1.

"I just wanted to win this game and I was just so nervous. I don't know why," Hingis said. "I just felt so different because it is a big Grand Slam tournament and there is a little chance – well, there is a big chance – to win."

Gerald Segal, of the Australian Medical Association,

Results, Digest, page 21

© Published by Newspaper Publishing PLC, 1 Canada Square, Canary Wharf, London E14 5DL and printed at Mirror Colour Print, St Albans Road, Watford.

Back issues available from Historic Newspapers, 01992 840370.

Tuesday 21 January 1997 Registered as a newspaper with the Post Office

## Venice Carnival



from £248

01 - 11 February  
All hotels centrally located in old Venice  
Alitalia flights from Gatwick

2 nights B&B ★★ Hotel £248  
Additional nights £41

2 nights B&B ★★★ from £254  
Additional nights from £44

2 nights B&B ★★★★ £286  
Additional nights £60

All prices include airport taxes. All hotels are centrally located and have ensuite bathrooms.

Prices per person based upon 2 sharing a room.

ALL OFFERS SUBJECT TO AVAILABILITY

For reservations phone Mon to Fri 09.00 to 18.00:

0181-960 9066

CITYTRAVELLER DIRECT LTD

2444



Virtual